

For Reference

NOT TO BE TAKEN FROM THIS ROOM

For Reference

NOT TO BE TAKEN FROM THIS ROOM

Ex libris
UNIVERSITATIS
ALBERTAENSIS



THE UNIVERSITY OF ALBERTA

THE EDITORIAL REACTION OF THE ALBERTA PRESS
TO THE BENNETT GOVERNMENT, 1930-1935

by



JOHN RONALD SCRATCH


A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF ARTS

DEPARTMENT OF HISTORY

EDMONTON, ALBERTA

SEPTEMBER 18, 1967



Digitized by the Internet Archive
in 2020 with funding from
University of Alberta Libraries

<https://archive.org/details/Scratch1967>

UNIVERSITY OF ALBERTA

FACULTY OF GRADUATE STUDIES

This inquiry is primarily based on the editorials in the six daily newspapers in Alberta from 1930 to 1935. Alberta weekly newspapers were also studied in an attempt to ascertain what rural Albertans thought about the policies enacted by the government.

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled "THE EDITORIAL REACTION OF THE ALBERTA PRESS TO THE BENNETT GOVERNMENT, 1930-1935" submitted by John Ronald Scratch in partial fulfillment of the requirements for the degree of Master of Arts.

ABSTRACT

This inquiry is primarily based on the editorials in the six daily newspapers in Alberta from 1930 to 1935. Alberta weekly newspapers were also studied in an attempt to ascertain what rural Alberta thought about the policies enacted by the Bennett government.

The period 1930 to 1935 was one of acute economic distress for Canada. Bennett became Prime Minister in 1930 with the promise that he would restore economic prosperity. The major weapon he proposed to use in order to bring prosperity was the tariff. Bennett was largely unsuccessful in his attempts to alleviate the depression and the policies he advocated stirred up a great deal of controversy.

In its editorial columns the Alberta press attempted to keep a close watch on the activities of the Bennett government. There were two groups of newspapers in Alberta. One group supported the Conservative party and the other group supported the Liberal party. The most frequently discussed issues were unemployment relief and tariffs. The press was almost always dissatisfied with Bennett's

efforts in the unemployment relief field. There was a conflict of views on the tariff question during the earlier part of the Bennett administration. As the depression progressed the Conservative press became very reluctant to accept the Bennett ideas on tariffs with complete approval. Other issues which provoked comment in the press were: monetary problems, marketing problems, and the Bennett New Deal.

ACKNOWLEDGEMENTS

The author wishes to express his sincere appreciation to Dr. L. G. Thomas, supervisor of this project, for his guidance and assistance throughout the preparation of this thesis. He also wishes to express his thanks to Mr. Eric Holmgren for assistance in finding research material and Mrs. Dave Joyce for typing the manuscript. It would be impossible for the author to express adequately his appreciation to his wife for her assistance and encouragement in the preparation of the thesis.

TABLE OF CONTENTS

	Page
ABSTRACT	iii
ACKNOWLEDGEMENTS	v
INTRODUCTION	1
 Chapter	
1. THE ELECTION AND ITS AFTERMATH	7
2. UNEMPLOYMENT AND TARIFFS	36
3. TRADE AND MONETARY PROBLEMS	70
4. HOPE REVIVED	92
5. THE BENNETT NEW DEAL	115
CONCLUSION	140
BIBLIOGRAPHY	145

INTRODUCTION

The name most frequently associated with the depression of the thirties in Canada is that of Richard Bedford Bennett, the Canadian Prime Minister from 1930 to 1935. Bennett was born in New Brunswick in 1870 and came to Calgary in 1896 to practice law. He proved to be a very successful lawyer and among his more prominent clients was the Canadian Pacific Railway. Bennett was also a very astute businessman, accumulating a considerable fortune during his lifetime. Soon after his arrival in the west Bennett entered politics under the Conservative banner. He was elected to the territorial legislature in 1898, the Alberta legislature in 1905, and the House of Commons in 1911. Bennett served briefly as Minister of Justice in 1921 and as Minister of Finance in the short-lived Meighen government of 1926. In 1927, at a convention in Winnipeg, he was elected leader of the Conservative party. On July 28, 1930 the Conservatives won the federal election and Bennett became Prime Minister of Canada.

By 1930 Canada was beginning to feel the effects of a serious world-wide depression. The country was confronted with a loss of markets, declining prices, and mounting un-

employment. In western Canada business depression was combined with drought and crop failure. There was very little indication that either Canadian politicians or the Canadian public understood just how severe the economic collapse was. It was thought that the prosperity of the twenties was merely being interrupted by another short business depression as had occurred periodically in the past. Traditional methods such as cutbacks in governmental spending and increased taxation in order to balance the budget could be relied on to make the necessary correction in the economic picture. The attitude that prosperity was just around the corner was widespread. During his first years of office Bennett indulged in this type of thinking. His actions during this time show a man determined to insure the solvency of his country and ease the new burdens placed on the Canadian people until the corrective measures the government had undertaken brought back normal prosperous conditions. Not until late 1934 did Bennett indicate that he thought something much more drastic must be undertaken in order to end the depression. Spurred on by the actions of Roosevelt in the United States and the urgings of his brother-in-law, W. H. Herridge, Canadian Ambassador to Washington, Bennett proceeded to develop a radical program of

reform, now known as the Bennett New Deal. Unfortunately the Canadian people were not prepared to trust Bennett with another five years in office and he met with a humiliating defeat in the election of 1935.

The policies Bennett advocated in his attempt to restore prosperity came in for considerable comment from many quarters. In the first place those who were politically opposed to Bennett attacked his policies and the basic assumptions underlying them. There was also a considerable amount of criticism moulded by strictly regional interests. Canadians expected Bennett to be responsive to their particular needs and desires. This was especially true in western Canada, where the brunt of the depression was felt. Since Bennett had lived most of his life in Alberta it was thought that he should have a thorough understanding of the problems of this area of the dominion. The press kept a very close watch on the activities of the federal government and this inquiry will attempt to ascertain what the attitude of the Alberta press was when reviewing the policies of the Bennett government.

There were six daily newspapers in Alberta in the period 1930 to 1935. The Edmonton Journal and the Calgary Herald, part of Southam press empire, supported the Conserva-

tive party. The Edmonton Bulletin, Calgary Albertan, Lethbridge Herald, and Medicine Hat News, all gave their editorial support to the Liberal party. The daily press provided Albertans with comprehensive coverage of international, national, and local news. The two Southam newspapers were able to print columns of political commentary provided by Southam correspondents in Ottawa. The two Calgary newspapers, the Edmonton Journal, and the Lethbridge Herald wrote editorials on all issues of national importance. The Medicine Hat News, the paper with the smallest circulation of the six, was much less consistent in providing editorial comment on national issues. In many cases the editorials of the News attempted to analyze how a particular policy of the federal government would affect the affairs of the Medicine Hat area. The Edmonton Bulletin had a unique editorial style. Editorials were always very brief and the editors did not seem to feel that it was necessary to provide any facts to support their conclusions. The Bulletin did not feel any inhibitions about expressing forceful opinions about the issues of the day and frequently the editorials became screaming polemics against the evils besetting Alberta. The most outrageous evil was Bennett and the policies he was advocating at Ottawa.

The major reason for the existence of the weekly press was to report on the news of their particular communities. In addition to an extensive and in many instances amusing coverage of local events, many weekly newspapers attempted to provide a summary of world news for their readers. Editorial comment on national political issues appeared very rarely. When and if an editorial did appear, the weekly press usually supported the Liberal party. Only two weekly newspapers, the Cardston Journal and the St. Paul Journal gave whole-hearted support to the Conservatives. The weekly press was very negligent about commenting on federal government policies which had a definite effect on the industries in their area. There was very little editorial comment on such measures of the Bennett government as the sugar tax, the coal bonus, and the wheat bonus. When the question of a tariff on wool and sugar was being debated in the daily press, weekly newspapers in those areas of southern Alberta engaged in sugar and wool production maintained a complete silence on the issue. It is almost impossible to ascertain what particular regions of Alberta thought about the different policies of Bennett because the newspapers of these areas contain few if any editorial opinions.

Specific mention must be made of two weekly newspapers

in Alberta. The Alberta Labour News, the official publication of organized labour in Alberta, through periodic editorials attempted to analyze the effects of Bennett's policies on the workers. The Red Deer Advocate, the major voice of support for the U.F.A., was undoubtedly one of the better weekly newspapers due to its more extensive coverage of political events. The Advocate was always able to see much more value in the policies of the Liberal party than in those of the Conservative party.

The most surprising feature of the weekly press is that it gave far more editorial coverage to international events than national events. Beginning especially in 1933 the activities of Britain, France, and Germany proved to hold more fascination for editors than the attempts of Bennett to cure the depression. The weekly press did not entirely ignore the depression in its editorial columns, but editors did seem to think that more benefit would come through individual endeavour than through policies of the federal government at Ottawa. The citizens of rural Alberta were urged to make the necessary sacrifices in good spirit in order to emerge from this period of acute distress.

CHAPTER I

THE ELECTION AND ITS AFTERMATH

I

In calling an election for July 28th, 1930 Prime Minister Mackenzie King had intended the main issues to be the record of his government, the Dunning budget with its plan to increase British-Canadian trade, and the choice of delegates to the forthcoming Imperial Conference. But King quickly discovered that he was not going to have his choice of election issues. Bennett, in his campaign speeches, concentrated on the depressed trade and business conditions in Canada and presented a program that was to restore the prosperity of the twenties. The tariff was to be the key weapon employed by the Conservatives to combat the depression. Canadian industries would be granted protection under a tariff which was high enough to keep out products that could be produced in Canadian factories. Once assured of the Canadian market, industries would increase production and provide needed jobs for the unemployed. The tariff would also be used to find markets for Canadian products. A preference would be granted in the Canadian market to those countries who provided a

similar preference for Canadian goods in their markets. Strengthened by the tariff Bennett proposed to "blast" a way into the competitive markets of the world.

This is the work of the pathfinder; to blaze the trail, through all barriers on the road to national development, to blast away. So will I when the government is mine continue to blast away through all our troubles and difficulties.¹

In order to stimulate Empire trade Bennett proposed that all the countries of the Empire raise their tariffs and then grant mutual preferences to each other. Bennett was confident that his proposal would be accepted at the Imperial Conference that was to meet in London in October, 1930. Although Bennett expressed a great deal of interest in negotiating trade agreements with the countries of the Empire his election slogan was 'Canada First and Then The Empire.' Canadian needs would be looked after first and then attention would be given to Canada's place in the Empire. Bennett argued that each individual country in the Empire must be made prosperous before the Empire as a whole could prosper.

Until the proposed tariff legislation brought about

¹quoted in the Calgary Herald, June 10, 1930, p. 1.

a revival of Canadian industry Bennett proposed to handle the problem of unemployment relief by undertaking a massive program of public works. Bennett declared that unemployment was a national emergency which should be met with firm action on the part of the federal government. He charged that the Liberal administration did not realize the seriousness of the situation. The voters were reminded that the Liberal's unemployment policy was contained in the famous 'five cent speech' in which King had said that he would not give a nickle to any provincial Conservative government for unemployment relief. The Conservatives promised to work out the proposed program of public works in a special session of Parliament which would be called as soon as possible after the election. Canadians would be put to work on projects, such as the construction of a national highway, which would be of future benefit to the nation.

In June 1930 the editorial columns of the Alberta press began to discuss election issues. The policies and ideas of Bennett attracted much more coverage than those of King. Bennett was definitely the more vigorous and exciting campaigner of the two. By advocating very distinct changes in several areas of government policy, he presented a sharp contrast to King who was forced onto the defensive during the cam-

paign. The majority of editorials dealt with unemployment, tariffs, and trade policy, the main concern of editorial writers being the effect of Bennett's policies on agriculture, the main industry of Alberta.

Newspapers supporting the Conservative party considered unemployment to be the main election issue. The King administration was criticized for its do-nothing attitude and its failure to realize the seriousness of the situation. The Conservative press saw a distinct contrast between the two leaders on the unemployment issue. Bennett had declared that unemployment was a national responsibility which should be met with firm action on the part of the federal government. King was attempting to avoid the issue by saying that unemployment was the responsibility of the provincial and municipal governments. Bennett offered a definite plan to combat unemployment through public works; King offered no solution to the problem. Conservative newspapers claimed that King had only begun to talk about unemployment after Bennett had made it an election issue. King's proposals were dismissed as being inadequate and too late. The Conservative press thought that Canadians were sufficiently concerned about the seriousness of the unemployment problem to realize that only Bennett would treat the situation

as a national emergency and take adequate measures to combat it. The Wetaskiwin Times, a weekly newspaper which supported Bennett only on the unemployment issue, summarized the stand of the two leaders on the question in this manner. "...King is preaching the gospel of future employment for Canadians, but Mr. Bennett had seized upon the present situation as demanding action here at once."¹ Only Bennett was sufficiently aware of the unemployment problem. He would treat it as a national emergency and use all the resources of the federal government to provide employment for Canadians. This was a very appealing argument because even in 1930 the provinces were realizing that they did not possess the funds to deal adequately with unemployment relief.

The Liberal press seemed embarrassed by the Conservative emphasis on unemployment. Editorial writers could not deny that unemployment was increasing, but they tried to show that it was a world-wide condition. Canada had suffered a temporary disturbance because her wheat markets had been upset by conditions beyond the control of the King government. The trade incentives of the Dunning budget would restore pros-

¹Wetaskiwin Times, July 17, 1930, p. 2.

perity and employment. Unemployment was merely a passing phase and the less said about it the better. Bennett was accused of laying a "red herring trail" and "seizing on the psychology of the unemployment situation" in order to attract votes.¹ The Liberal press claimed that the black picture painted by the Conservatives would have a bad effect on business and trade and cause Canadians to lose confidence in the business community. People would be discouraged from future investments and this would cause more unemployment. Editorial writers tried to show how unemployment and high tariffs went hand in hand.² Statistics were quoted to prove that Australia and the United States, two countries with high tariffs, had a much more serious unemployment problem than Canada. Bennett was criticized for his plan to call a special session of Parliament. The two million dollars spent calling Parliament together would be better spent if given to the unemployed. The Liberal press did not consider unemployment to be a major election issue and attempted to focus the attention of the voter on other policies advocated by Bennett.

¹Lethbridge Herald, July 7, 1930, p. 4.

²This was a common procedure used by the major daily newspapers supporting the Liberal party in order to support their arguments against higher tariffs.

The Alberta Labour News and the Red Deer Advocate expressed interesting viewpoints on the unemployment question. The Labour News could see nothing of value for the working class in the policies of either the Conservatives or Liberals. The Liberals were criticized for ignoring unemployment and adopting the attitude that the question had been raised merely to embarrass the government. The Conservatives were accused of "using unemployment statistics as pegs upon which to hang their high tariff coat." The News, reflecting the views of organized labour in Alberta, claimed that unemployment insurance was the only way to relieve the suffering of the workers.¹ The Red Deer Advocate, the major voice of support for the U.F.A. in the campaign, sided with the Liberal party on the unemployment issue. The Conservatives were charged with exaggerating the seriousness of the situation and howling a "calamity chorus" in order to obtain votes. The Advocate thought that the Liberals would prove to be much more reliable than the Conservatives in solving unemployment problems.²

Liberal newspapers considered the proposal to raise

¹Alberta Labour News, July 5, 1930, p. 4.

²Red Deer Advocate, July 9, 1930, p. 2.

the tariff to be the most indefensible of all Conservative policies. Western Canada had always been hostile to the idea of a high protective tariff and editorials in the Liberal press tended to concentrate on this aspect of the Conservative platform. The proposal to reverse Canada's fiscal policy was judged to be the most important issue facing the voters. The Liberal press tried to warn Albertans what the consequences of a high tariff policy would be. It was pointed out that high tariffs would benefit only the eastern manufacturing class. Since the Conservative party was dominated by these men it was natural that Bennett would advocate policies which were in the interests of the industrialists. High tariffs would mean nothing but hardships for the western farmer. The case was simple -- tariffs would prevent the farmer from gaining an entry into world export markets, raise the price on farm implements and consumer goods, and burden Canadians with high taxation. What the world needed at this time, according to the Liberal press, was a general lowering of tariff barriers. If Canada raised her tariffs other countries would retaliate and Canada would find herself isolated, without the necessary markets for her agricultural products. The Lethbridge Herald summed up the argument against raising the

tariffs in an editorial entitled "Protection For The Farmer."

Protection all round -- which means higher taxation all round in the raising of custom duties which are only an indirect form of taxation which falls on the consumer, who has to pay the price for the benefit of special interests -- is the policy with which this country is faced should the Conservatives be returned to power. When this protection is to include protection of the farmers, as advanced on Conservative platforms, the exponents of high tariffs of themselves throw ridicule on what they advocate. In what way does Mr. Bennett propose to protect the farmers?¹

The editorial columns of the Liberal press were filled with warnings about the disasters which would befall the farming community if the Conservatives were elected to office. Much more editorial space was devoted to pointing out the harmful effects of high tariffs than was used in proclaiming the advantages of the low tariff policy of the Liberal party. The Liberal press seemed to believe that, come election day, the voters of Alberta would remember only that Bennett stood for higher tariffs. With this thought in mind Albertans would vote for the party which best promoted their interests -- the Liberal party with its low tariff policy.

The Red Deer Advocate and the Alberta Labour News both registered their opposition to Bennett's tariff proposals.

¹Lethbridge Herald, July 8, 1930, p. 4.

The Advocate claimed that raising the tariff would result in a few people amassing wealth and the rest "paying" for it. It was pointed out that increased protection would be disastrous for the farming community. Protection would mean a lower price for wheat, "reduced consumption, a reduction in exchange of commodities, limited production, more unemployment, and more millionaires."¹ The Labour News predicted that high tariffs would only increase the profit of the manufacturers and reduce the buying power of the workers.²

The Conservative press showed a reluctance to discuss the specific benefits farmers might hope to receive from high tariffs. Faint hopes were expressed that Canada's distressed trade and business conditions might be improved by an increase in tariffs. It was suggested that western Canada might try to overcome some of its prejudices about the tariff for the sake of the nation as a whole. In an attempt to answer Liberal criticisms about Conservative tariff policy the Calgary Herald claimed that Bennett's conception of a protective policy was "radically different from that which Liberals are disposed to

¹Red Deer Advocate, July 7, 1930, p. 4.

²Alberta Labour News, July 5, 1930, p. 4.

credit as Conservative."¹ The Herald unfortunately did not elaborate on this statement. It appeared that the Conservative press supported Bennett's call for higher tariffs more from political loyalty than sincere conviction.

Most editorial discussion of trade policy centered on Bennett's proposals for stimulating inter-Empire trade. Conservative newspapers were convinced that Bennett's plan for mutual preferences would work to increase imperial economic unity, a much favoured attainment. The Edmonton Journal claimed that there were clear indications that Britain would be sympathetic to Bennett's proposals. According to the Journal the British buyer would not buy Canadian farm products unless it was to his advantage to do so. Under Bennett's preferential trade plan Britain would be given distinct advantages to sell her products in Canada in return for a preference for Canadian agricultural goods in the British market. This was assuming of course that Britain was willing to adopt high tariffs. The Conservative press recognized the need for increased markets for Canadian agriculture and pointed to Britain as the only place where a large market was possible. Canada

¹Calgary Herald, June 10, 1930, p. 4.

and the farmers of Alberta would receive substantial benefits if Bennett was Canada's representative at the next Imperial Conference.

Liberal newspapers accused the Conservatives of being disloyal to the Empire. It was argued that the slogan 'Canada First and Then The Empire' would mean the end of the British preference as it existed in the Canadian market. The Liberal government had taken the lead in stimulating inter-Empire trade with the Dunning budget, which proposed to deflect two hundred million dollars worth of trade to Britain. It was in the interest of the Alberta farmer to do his part to return the King administration so that the proposals made by Dunning would be carried out. Editorial writers declared that the Conservatives would never give British manufactured goods a preference in the Canadian market. The eastern industrialists who controlled the Conservative party wanted exclusive control of the Canadian market. Bennett was not to be trusted when he argued for a system of mutual preferences in the Empire. He was misleading the Canadian farmer by promising to negotiate agreements to provide markets for agricultural products. Canada was dependent on world markets to sell its surplus agricultural products. The restrictive trade policy of Bennett

would close these markets and Canadian farmers would find themselves facing more hardships than they now encountered. According to the Liberal press the vital question facing voters on election day was who would represent Canada at the forthcoming Imperial Conference. It was predicted that Bennett's presence at the conference would mean the end of "co-operation" and "goodwill" in imperial deliberations. Bennett had announced that he would bargain at the conference and this would have disastrous results. The Wetaskiwin Times in condemning Bennett's trade policy made this statement.

To have taken the standpoint, as the Conservative leader has done, that Canada wants to bargain with the motherland, is hardly a fit preparation for attendance at the projected time of the Empire. That is not the right spirit in which to approach an Imperial Conference. It is questionable if it would be the right attitude to take to nations outside the Empire, if a world Conference of nations were to be held. But that the methods of the market place and the sentiment of the huckster should enter into our Imperial relationships is to be deplored.¹

When the counting of votes was complete on the night of July 28th it was established that Bennett had been successful in persuading Canadians that he had the solution to the problems Canada was facing in 1930. The Conservatives had

¹Wetaskiwin Times, July 17, 1930, p. 2.

scored a solid election victory. The final count showed the Conservatives with 137 seats, the Liberals with 88 seats, and various other opposition groups with 20 seats. In the prairie provinces Bennett had increased Conservative representation from one in 1926 to twenty-two in 1930. Alberta elected four Conservatives: Calgary West (Bennett's seat), Calgary East, Edmonton East, and Lethbridge. In their editorial coverage of election issues Alberta newspapers maintained their traditional political loyalties. Any editorial criticism was reserved strictly for the opposition party. The major daily newspapers tended to ignore the U.F.A., the strongest force in Alberta, and devoted all their attention to Bennett and King. The only weekly newspapers which attempted any considerable editorial comment on election issues were the Alberta Labour News, the Red Deer Advocate, and the Wetaskiwin Times. Even here, with perhaps the exception of the Advocate, editorials dealt mainly with the Liberals and Conservatives. A majority of Albertans might cast their ballots for the U.F.A., but the Alberta press was interested mainly in the two old line political parties. With the election over and a new prime minister in office, the Alberta press stood ready waiting to review the performance of Bennett now that he had been established in the seat of power.

II

The press did not have long to wait for its first glimpse of Bennett at work. On September 8th the promised special session of Parliament was convened. Its expressed purpose was to deal with the unemployment emergency. Bennett was prepared to act on his belief that changes in Canada's fiscal policy would end trade depression and unemployment. The Throne Speech, the shortest on record, officially set out the government's program.

The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff which it is anticipated will do much to meet the unusual conditions which now prevail.¹

Three measures were presented to Parliament in an attempt to alleviate the distress Canadians were suffering.

The first measure was an unemployment relief bill. Parliament was asked to vote \$20,000,000 for public works to provide employment. In the case of direct relief to the unemployed the federal, provincial, and municipal governments were to each pay one-third of the cost. For municipal public

¹House of Commons Debate, 1930, p. 1.

works, built as a means of providing employment, the federal government would pay twenty-five percent, the provincial government twenty-five percent, and the municipal government fifty percent. The federal government would pay fifty percent of the cost of provincial public works. Any unexpended balance from the \$20,000,000 was to lapse on March 31, 1931.

The second measure was an amendment to the tariff raising the duties on 130 items "chiefly iron and steel products, including agricultural implements, boots and shoes, glass, textiles, paper, gasoline, electrical appliances and cooking utensils, and a few food-stuffs."¹ Bennett warned that this was not a general revision of the tariff, more would come later. It was hoped that this minor tariff revision would ensure Canadian industries of fairer competition in the home market.

The third measure, enacted by the special session, was an amendment to the anti-dumping section of the Custom's Act. The dumping rate was increased from fifteen to fifty percent. The legislation left the imposition of dumping duties entirely in the hands of the Cabinet.

¹Grant Dexter, "The Political Situation in Canada," Queen's Quarterly, v. 37, 1931, p. 764.

The Opposition parties in Parliament registered their objections to these measures, but as Bennett had made it clear that he would not attend the Imperial Conference while Parliament was sitting, the session completed its business in two weeks. Bennett promised the Opposition that it would have an opportunity to reconsider the tariff measures when the regular session met.

The Alberta press viewed Bennett's unemployment measure as a temporary one, necessary to tide the country over during an emergency. It was hoped that more extensive assistance would be provided for the unemployed at the next session of Parliament. Conservative newspapers, joined by the Calgary Albertan, thought the measure a good one considering the haste in which it had been framed and hoped that it would bring quick results. The Calgary Albertan and the Edmonton Journal urged that most of the money be used for highway construction. It was hoped that a national highway would increase tourist trade and promote closer relations between east and west. The relief measure was viewed as a return to the system of unemployment relief established after the war where the federal, provincial, and municipal governments each paid one third of the costs. The daily

newspapers warned Alberta authorities that they must begin making plans for relief projects so that the province would get its share of the relief funds. Editorial writers concluded that the first province to present the federal government with specific relief plans would have the advantage in securing relief funds. If Alberta hesitated in deciding the amount of money needed she would find the money had already been given to those who assessed their needs. Those who arrived at the federal treasury first would receive the lion's share. The province must be prepared to "grab" all the money it could possibly get.

Liberal newspapers expressed concern about the lack of regulations surrounding the administration and spending of the relief money. The Edmonton Bulletin was aghast that the money should be turned over to the municipalities "with no strings attached and no accounting required."¹ Bennett was urged to adopt a very strict auditing procedure when dispensing the funds. He was cautioned to watch those in his party who might try to misuse the money because they felt that they were entitled to a reward after the Con-

¹Edmonton Bulletin, September 16, 1931, p. 6.

servative victory. The Liberal press did concede that \$20,000,000 was sufficient to meet the present unemployment emergency. Alberta Liberal newspapers could see no difference between the unemployment policy of Bennett and King -- the administration of relief through the provinces.

Editorial columns in the Alberta press devoted most of their space to a discussion of Bennett's tariff revisions. In a rather self-righteous mood, editorials in Liberal newspapers declared that in electing Bennett, Canadians had voted for high tariffs and therefore the two tariff measures before the special session were just what the electorate deserved. If disaster resulted from the revisions the voter had no one to blame but himself. Canadians would now find out if higher tariffs would really bring prosperity to Canada. The election indicated that Canadians were prepared to risk a change in Canada's fiscal policy and they must be prepared to suffer the consequences. The Liberal press was very reluctant to admit that prosperity might possibly come to Canada as a result of increasing the tariff. While admitting that Canada had voted for higher tariffs, Liberal newspapers freely predicted that the results would be disastrous for Canadian trade and result in severe hardship for

the farmer. The Vegreville Observer commented that in the application of higher tariffs Bennett had demonstrated the vast difference between the Liberal and Conservative parties. "This might knock the wind out of these demagogues of the U.F.A. and other professed Independents, who have been stating for years that there is no difference between the Grits and the Tories."¹

Considerable disbelief was expressed about Bennett's contention that he would be able to prevent the price of goods from going up when they were protected by the tariff. If, by some remote chance, Bennett was successful in protecting the consumer from price increases, then Canadians would have little to complain about. The Medicine Hat News quite freely predicted that the farmers would "sweat blood" as a result of the tariff changes.²

The Liberal press was also annoyed at the "hasty" manner in which the tariffs had been revised. It was claimed that the Conservatives were completely ignoring the rights of Parliament in demanding that a revision of the tariff be

¹Vegreville Observer, October 15, 1931, p. 2.

²Medicine Hat News, September 17, 1930, p. 2.

accomplished in two weeks so that Bennett could attend the Imperial Conference. The Edmonton Bulletin accused the Conservatives of "railroading" the changes through the House.¹ Liberal newspapers were concerned about the radical powers given to the ministers in setting customs rates.

Conservative newspapers, while generally supporting the tariff legislation, expressed a few doubts about the revisions. There was considerable concern about the protection of consumers from price increases due to the higher tariffs. Bennett was warned that a close watch must be kept on the price of all products which benefitted from the tariff legislation. If prices were raised the government must act quickly to remove protection from those industries. It was thought that the popularity of Bennett's tariff changes would depend on his ability to prevent price increases.

The Edmonton Journal offered a formula to protect the farmer from any harm that might result from increased tariffs. Bennett was asked to pass "compensating legislation" in order to assure the farmers of a fair deal. The Conservative press in Alberta knew that the farmers had

¹Edmonton Bulletin, September 17, 1930, p. 4.

never been convinced of the need for high Canadian tariffs. If higher tariffs were necessary in the national interest then something must be done to assure the farmers of western Canada that they would not suffer. The federal government must take the necessary action to ensure the farmers of markets.

This part of the dominion has a right to such a quid pro quo for an effective tariff that it cannot with any justice be denied. At the present moment the farmers of Western Canada stand in particular need of action of this character in their behalf... They are faced with a heavy problem in the marketing of their products and have a right to expect that all possible aid will be given by the federal government.¹

The Journal was not prepared to say just exactly what sort of marketing legislation western farmers wanted in order to compensate for the higher tariffs.

The Conservative press did praise Bennett for acting confidently, without fear of reprisals, in giving Canada definite fixed tariff duties. It thought that Alberta would especially benefit from the duty on oil and gasoline. These duties would find new markets for the products of the Alberta oil fields and encourage the development of new producing

¹Edmonton Journal, September 17, 1930, p. 4.

areas. The anti-dumping duty on coal was greeted with favour. It was hoped that this would eliminate American competition for Alberta coal in the Canadian market, especially in Manitoba.

The Alberta press had expressed doubts about the effect of Bennett's tariff legislation on the farmer. The Liberal press condemned the new tariff outright. The Conservative press asked the government for compensating legislation to ensure the western farmer of markets for his products. Considerable concern was expressed in the editorial columns about the effect of the new tariffs on the price of consumer goods. Bennett was warned that he must keep a close watch over those industries benefitting from the new protection. The Conservative press thought that the new tariff legislation combined with assurance for farmers would restore prosperity in Canada. In the commentary on the legislation of the special sessions are found the first hints of some uneasiness in Conservative newspapers over Bennett's proposed tariff changes. The criticism made in these editorials was not major, but for the first time the Conservative press warned Bennett that he must take steps to assure the west that it would also receive benefits from the new tariff.

III

The next opportunity for the press to review Bennett's performance came with the Imperial Conference held in London from October 1st to November 13th. It had been specifically called to consider the problem of inter-Empire trade. Bennett went to the conference hoping to persuade the countries of the Empire to accept his plan for mutual preferences. The Alberta press was extremely interested in the events of the conference. The ties of Empire were still very strong in Canada and it was hoped that the conference would be successful in finding ways of stimulating inter-Empire trade. The most important task confronting Bennett, according to the press, would be the securing of markets for Canadian wheat.

Liberal newspapers predicted that Bennett would not fare well at the conference. The new Canadian tariff was considered to be the biggest obstacle in the way of any Anglo-Canadian trade agreement. It was pointed out that Bennett had gone to London to find ways to stimulate Imperial trade, taking the new list of tariff increases "as evidence

that he is very anxious to help."¹ The Liberal press charged that it was not necessary to make important tariff changes on the eve of the conference. Canada wanted Britain as a market for wheat and yet before beginning negotiations Canada had increased the duties against British manufactured goods. The Liberal press wondered what effect this act would have on British readiness to accept Canadian products at a preferential rate.

The next obstacle in the way of any Empire trade agreement, according to the Liberal press, was that Canada was asking Britain to abandon her free trade position. Liberal newspapers claimed that Britain would not adopt a protective tariff in order to grant the dominions preferences. If Britain adopted protection it would mean a tax on food-stuffs and editorial writers pointed out that the governing Labour party was on record as opposing protection. It was pointed out that Lord Snowden, Chancellor of the Exchequer, had stated that he would not remain in any cabinet that imposed protection on Britain. Bennett was warned not to place his hope on the British Conservative party, because

¹Lethbridge Herald, September 22, 1930, p. 4.

even they were divided on the issue. The Edmonton Bulletin claimed that Bennett had dropped a bombshell into British politics.

The important question is whether that will help to sell Canada's wheat in Britain. Will the Labour Government at which the bomb was aimed be more kindly disposed on that account to grant concessions to our products? And will the Conservatives among which the bomb has landed, be any more friendly to our future advances?¹

The Liberal press raised the question of who would receive the benefits under the Bennett plan. It was concluded that Britain was being called upon to make all the sacrifices. Canada had raised her tariff making it impossible for Britain to sell Canada such things as woolen goods, textiles, carpets, boots, and shoes. Now Canada was asking Britain to put a duty on foreign wheat so that Canada could enjoy a favourable position in the British market. In return Canada would impose higher duties on foreign goods. Bennett was reminded that the British market was much more important to Canada than the Canadian market was to Britain. Canada would have to give Britain something if she expected favours. The Medicine Hat News concluded that under Bennett's plan

¹Edmonton Bulletin, October 30, 1930, p. 4.

Britain would face greater obstacles to trade in Canada than she had under King.

Why any British government that is administering a country that has been buying from Canada three times as much as Canada has been buying from her would grant a preference to Canadian wheat in return for a market that will raise higher barriers against British goods than has been the case since 1897 is something that should be considered by hard-headed Canadians.¹

The Liberal press declared that the only way Canada could sell wheat in Britain was to make it easier for Britain to sell manufactured goods in Canada. The only way to accomplish this objective was by a general lowering of tariff barriers -- something only the Liberal party could bring about. The Liberal press concluded that Bennett was going to London unwilling to compromise his plans. This would surely result in failure to secure the necessary British market for Canadian wheat.

Conservative newspapers, joined by the usually Liberal Calgary Albertan, expressed considerable enthusiasm for Bennett's proposals to the Imperial Conference. It was realized that the outcome of the conference would depend entirely on Britain. There was a slight hope in the Con-

¹Medicine Hat News, October 15, 1930, p. 4.

servative press that even the Labour party might be persuaded to adopt protection if it meant increased Empire trade. Editorial writers pointed out the supposed divisions in the British cabinet over the Bennett proposals, taking this to mean that Bennett had some hope for success at the conference. The Conservative press claimed that the conference would decide the fate of the Empire. The Empire was at the "cross-roads" and it either accomplished closer trade relations or it would "slip" into disintegration.¹ If the conference was successful in establishing a firm economic foundation then the bonds of Empire would be strengthened. Conservative newspapers gave Bennett credit for providing something definite for the conference to consider. The dominions were urged to negotiate and compromise in order to reach a beneficial trading agreement. The Calgary Albertan claimed that Bennett's stand at the conference was completely justified. Bennett was quite correct in his 'Canada First' policy because the prosperity of each part of the Empire must be assured in order to assure the prosperity of the whole. Bennett was representing Canada at the conference

¹Calgary Herald, September 29, 1930, p. 4.

and it was only natural that he should present his demands in a strong and vigorous manner.

The conference failed to achieve agreement on the means to reach its objective. The delegates agreed to meet in Ottawa in 1931 to try and work out a scheme to stimulate inter-Empire trade. In July 1932 the conference would meet once again in Ottawa under slightly different circumstances. Bennett returned to Canada, still convinced that the Empire would accept his proposals, but determined to formulate policies to meet the immediate needs of Canada. These immediate needs were becoming serious as unemployment increased and trade declined.

CHAPTER II

UNEMPLOYMENT AND TARIFFS

I

The most serious problem facing Canada in 1931, according to the Alberta press, was unemployment relief. In the 1930 election Bennett had promised to end unemployment or "perish in the attempt." After eight months of Conservative government unemployment figures were increasing at a rapid rate. By February 1931 most Alberta newspapers agreed that the temporary attempts of 1930 to solve unemployment were not working out. The cost sharing plan for public relief projects was doing very little to solve the problem. Cities were finding themselves with spiraling debts in trying to meet their twenty percent share of the agreement, and the provinces found themselves unable to contribute more to unemployment relief. Quite naturally all eyes turned to the Dominion government for a solution to the problem. Alberta newspapers urged the Bennett government to draw up a uniform nation-wide plan to deal with unemployment relief. From March 1931 until the end of the parliamentary session in August, editorial after editorial pleaded with the

federal government to present some sort of plan that would clear up the confusion. "A plain statement is needed" and "let the people know where they stand" were phrases used in urging the Bennett government to bring forward a solution. The government was reminded that the Conservatives had come to power on a promise to end unemployment and because of this promise, the Canadian people had a "right" to expect a forthright attempt at a solution of the problem. The country had just passed through a difficult winter and plans must be set down so that the same difficulties would not be experienced in the next winter. Canadians must demonstrate that they had benefitted from the experience of the past. Cities were in serious difficulties and could not continue to support enormous unemployment relief burdens. It was the responsibility of the federal government to give guidance and direction in finding a solution to the problem. A long-range plan, which could be used in future periods of unemployment, was essential.

The government's relief policy was criticized as shortsighted, loosely formulated, and poorly organized. The "patchwork" system of relief was blamed on the Canadian parliamentary system which had turned unemployment into a

political issue. The major political parties in Ottawa seemed only too willing to try to make political capital out of the distress Canada found herself in. The Calgary Albertan suggested that an impartial committee made up of men from all political parties in the House of Commons investigate the unemployment relief situation and make recommendations to the government.¹ The Albertan accused all levels of government of "passing the buck" and thereby attempting to evade their responsibilities.² Even the Calgary Herald, a pro-government newspaper, found that the federal government did not seem to understand the seriousness of the unemployment situation.

The Alberta press agreed that the most serious defect in the federal government's unemployment relief policy was the enormous financial burden it placed on the cities. Even though the cities and municipalities were only responsible for twenty percent of the cost of unemployment relief, this twenty percent had grown to unimagined totals. The cities were faced with debts which were growing at a stag-

¹Calgary Albertan, April 22, 1931, p. 4.

²Ibid., June 6, 1931, p. 4.

gering rate. No one knew where the money would come from to pay the bills unless the federal government provided greater financial assistance.

Transients or drifters were a major factor in the enormous relief costs faced by the cities. The unemployed came to the larger centers to find work and when they were unable to find jobs, they remained and went on the relief rolls. Smaller municipalities were accused of sending their excess unemployed to the cities to collect relief because adequate funds did not exist in the municipal coffers to take care of these men. A method was needed to distinguish between the bona fide resident of a city and a transient. If cities could concentrate on looking after their own citizens they might possibly be able to provide some form of adequate relief. Transients were the responsibility of the federal and provincial governments and it was both "unfair" and "impractical" to ask the cities to look after them. Registration of all unemployed persons should be undertaken and made prerequisite to receipt of relief. This method would determine who should receive aid in a particular place. Mobilization of drifters for work was another solution proposed. This would make it easier to feed, clothe, and

organize the men.¹ The newspapers of Edmonton and Calgary were especially concerned about the drifter problem because most of the unemployed single men were congregating in these two cities. The drifter problem was called the really "embarrassing factor" in the unemployment situation.²

The Alberta press was optimistic that the unemployment problem could be solved by strong leadership from the Bennett government. People were quite prepared, it was claimed, for a very liberal expenditure of money on any plan which would relieve the distress. The plan would have to be formulated and its operation directed by the federal government. The provinces were in no position to enter an undertaking of this magnitude. The Lethbridge Herald even urged the government to ignore all constitutional and legal difficulties that might be encountered in working out a comprehensive plan.³ Canada was a young country and must muster all her resources to meet the problem.

We are not living in a played-out country, where unemployment has settled like rheumatism in old limbs.

¹Calgary Albertan, July 15, 1931, p. 4.

²Edmonton Bulletin, July 11, 1931, p. 4.

³Lethbridge Herald, July 3, 1931, p. 4.

We are living in a country which in a not distant future will support ten times its present population. We have untold wealth in our natural resources. We have grain in our elevators. We have great public works which must be undertaken -- if not now within the next twenty years. We are in so much more a favorable economic position than the nations of Europe and in many respects than the United States, that the existence of men in our streest who are hungry is a national disgrace. Mr. Bennett can lead the way to its removal.¹

This is merely one example of the optimism displayed by the Alberta press when considering the role the federal government ought to play in solving the unemployment relief problem.

The Alberta press was never specific in the type of plan it wished the federal government to evolve to handle relief. There was one point of agreement and this was that any plan brought forward must provide for work rather than direct relief. The very mention of direct relief brought visions of horror to editorial writers. Relief without work was "socially detrimental"² and would only create an army of "permanent idlers"³ who would cause lawlessness and disorder. There were many men, at present unemployed, who wanted to work and direct relief would destroy their morale

¹Calgary Albertan, June 18, 1931, p. 4.

²Ibid., July 23, 1931, p. 4.

³Calgary Herald, July 18, 1931, p. 4.

and self-respect. The Calgary Albertan poignantly outlined the consequences of direct relief on unemployed men, especially "oppressed foreigners." Direct relief would cause contempt for the country and the political system. In a short time men would become accustomed to the dishonest man who was able to make a living out of direct relief. Men would become bitter and turn to extreme political theories which provided them with some sort of hope.¹

The press blamed unemployment riots which occurred throughout the summer of 1931 on the lack of organization and planning in the method of distributing unemployment relief. The type of work given in exchange for relief must not be obviously "created" work, but useful work which would be of future benefit to Canadians. The responsibility for providing this work rested with the federal and provincial governments. Local projects undertaken by municipalities would only be temporary relief projects and would be extremely costly in the long run.² The press urged that a general survey be taken of large-scale public works projects

¹Calgary Albertan, June 27, 1931, p. 4.

²High River Times, July 16, 1931, p. 2.

needed in Canada and work begun on them immediately. The project most frequently suggested was the completion of the trans-Canada highway. In the 1930 election campaign Bennett had talked about this project as a means to get the unemployed back to work. Bennett was now pressed to fulfill this promise. The Alberta press envisaged that the highway would be a vast undertaking employing many men. It pointed out that construction should begin in the west because eastern Canada had most obviously benefitted from Conservative tariff legislation. The demand for a large-scale program of public works also included requests for construction of the Peace River outlet and the St. Lawrence Waterway.

The idea of unemployment insurance was also discussed as a means of easing the acute situation. The Alberta press agreed that there was a need for some form of unemployment insurance. Canada, even in the best times, had much seasonal employment. Unemployment insurance could provide protection against such occurrences. A depression was probably the best time to establish a sound system of unemployment insurance because only in a period of great unemployment would people really realize the need for such protection. However, the press urged the government to

exercise caution before embarking on any scheme of unemployment insurance. The Medicine Hat News suggested that the best plan would be one where the state, the employer, and the employee all contributed. The fund must be put on a sound actuarial basis and the benefits paid in the nature of insurance.¹ Contributory unemployment insurance was judged to be a "logical method of dealing with unemployment"² and the Bennett government was urged to investigate the possibility. The Alberta press firmly agreed with Bennett that non-contributory insurance was bad. Non-contributory insurance was the "dole" because it meant that people would receive something for nothing. Britain effectively demonstrated the damaging effects of the dole. The money for unemployment insurance had to come from some source and the federal government could not be expected to provide all the funds.

Late in July the Bennett government presented to Parliament its plans for unemployment relief. The Unemployment and Farm Relief Act of 1931 asked for an unlimited amount

¹Medicine Hat News, April 21, 1931, p. 2.

²Stettler Independent, April 9, 1931, p. 3.

of money and unlimited power to spend it in any manner. The measure was promptly called the "blank cheque." The bill requested wide powers for the ministers in deciding where and how money was to be spent to relieve the distress caused by unemployment and the depression. The Alberta press was prepared to accept the arrangements as justifiable only in the exceptional circumstances of the times. Bennett was warned that the government must exercise great care in using the vast powers and guarantee that the money would be spent wisely and efficiently. The Calgary Albertan noted that the arrangement was satisfactory because it meant that Canada must "arrange her exchequer to fit her unemployment problem rather than arrange her unemployment problem to fit her exchequer."¹ The Edmonton Bulletin gave its consent to the new measure reluctantly. There appeared to be no other means of solving the problem since the government lacked a "comprehensive and comprehensible" policy and had allowed the country to drift into an intolerable position.² The press admitted that there were definite advantages to be

¹Calgary Albertan, July 28, 1931, p. 4.

²Edmonton Bulletin, July 28, 1931, p. 4.

gained by not asking for a fixed sum for relief. If the government had requested a definite sum of money, the amount would have to be spent, even if it was found that all the money was not needed. The provinces would ask for a fixed share of the amount and this would mean that those provinces with the largest population would receive the largest sums even though they might not necessarily have a greater need for the money. Under the terms of the new Act the ministers would be able to use their discretion to determine where the money should be spent and the Alberta press hoped that this would mean that western Canada would receive fairer treatment. The press, although not entirely pleased with the new arrangements, was prepared to allow the government time to demonstrate that the new powers would allow the ministers to proceed in a more determined manner to solve the problems surrounding unemployment relief. The government was undertaking enormous responsibility and in the future it would have to answer to Parliament for its actions.

In a discussion of any measures of the Bennett government to insure the return of prosperity to the country, the controversial issue of tariffs played a prominent part. In his election campaign Bennett had promised that prosperity

would come through the erection of high tariffs. Not only would Canada erect a high tariff wall, but Bennett had pledged himself to the idea of high tariffs in inter-Empire trade. At the 1930 Imperial Conference Bennett had been temporarily thwarted in his purpose and in 1931 he found himself searching around for some expedient to tide Canada over until the economic section of the Imperial Conference would meet again to discuss the issue. The tariff question was one on which Conservatives and Liberals strongly disagreed and this disagreement was reflected in the Alberta press. Western Canada had traditionally viewed any protective tariff with a great deal of distrust and even those newspapers which supported the Conservative party felt that some extra compensation must be given to western Canada if high tariffs were deemed necessary for the nation as a whole. In the commentary on the 1930 special session of Parliament the Conservative press had requested, for the first time, some sort of compensating legislation specifically designed to assist western Canada in overcoming the disadvantages suffered as a result of the Bennett tariff legislation. In 1931 this request was put forward even more vigorously. The Conservative or pro-government press appeared anxious to up-

hold any legislation which might be construed as favourable to western Canada as evidence of Bennett's concern for this part of the dominion.

The Alberta press agreed that before the Canadian economy could recover from the depression a solution had to be found for the troubles confronting agriculture. Anything done to strengthen the position of Canada's basic industry would have far-reaching effects on all other areas of the economy. If markets were found for Canadian farm products, industrial stagnation and unemployment would disappear. The solution of this apparently domestic issue would only be found in a solution of Canada's international and inter-Empire trade relationships.¹

The main problem confronting agriculture in 1931 was markets. Canada's major agricultural areas were plagued with serious drought problems, but a large surplus of Canadian wheat remained unsold. Characteristically Bennett thought that the bargaining weapon of high tariffs would sell wheat. The Liberal press had consistently argued that high tariffs would only bring retaliation and prevent Canada

¹Lethbridge Herald, March 20, 1931, p. 4.

from securing markets which might normally have been hers. Even though not agreeing with Bennett's economic philosophy, the anti-government press agreed that Bennett had been given a mandate to put his high tariff policies into practice. In the words of the Stettler Independent, Canada was now passing through a high tariff phase in political and economic life and "we might as well have it good and have it over with."¹ The Edmonton Bulletin maintained that if tariffs were good for Canada they were good for Alberta and they could not come too quickly or in too great a measure. "Alberta Must Get Her Share" ran an editorial headline, urging Alberta members of Parliament to "grab" all the protection they could get.² The anti-government press only asked that Bennett be consistent when raising tariffs. If manufactured goods were to receive the benefits of high tariffs, it was only fair that certain primary products also receive the same from high tariffs. Two primary products which might conceivably benefit were sugar and wool. As Canada imported most of her raw sugar and wool, here was an

¹Stettler Independent, June 4, 1931, p. 3.

²Edmonton Bulletin, March 27, 1931, p. 4.

area where exports would not be hindered. Sugar and wool producers would certainly receive a fairer price for their products if protected by a tariff. With better prices guaranteed, the industry would be stabilized and encouragement to expand would be provided. Those newspapers arguing for a tariff on raw wool, in particular the Lethbridge Herald, pointed out that the wool textile manufacturers had the benefit of a very high tariff on finished woolen goods and therefore were receiving higher prices for their products. At the same time, Canadian wool producers, unprotected by any tariff, were subjected to stiff competition from foreign countries and therefore were suffering from the lowest wool prices in decades. Bennett had claimed that he could control prices to the consumer while raising tariffs. Here was an excellent opportunity for him to put his theory into practice.

The subject of a Dominion Wheat Board also provoked considerable discussion in the editorial columns of the Alberta press. A Wheat Board, which would handle the marketing of all Canadian wheat, was suggested as a means to overcome the many difficulties experienced by the different agencies which attempted to sell Canadian wheat abroad. The Alberta press opposed the formation of a Wheat Board

under the control of the Dominion government. Newspapers argued that a Dominion Wheat Board would mean pegged prices for wheat and this would not be a solution to the agricultural marketing problems. If the government set the price of wheat any higher than that which could be obtained on the world market, the federal treasury would have to make up the difference. This would establish a dangerous precedent for the producers of other primary products. The press argued that countries which bought Canadian wheat would be suspicious of any government-controlled marketing agency. The Calgary Herald pointed to the disastrous experience the United States was having with pegged prices for farm products. If farm interests wanted a Wheat Board then the prairie provinces should get together and form an Inter-Provincial Board. It was unfair to ask eastern Canada to help pay so that a certain wheat price could be guaranteed to western farmers.¹ Several newspapers wondered whether the federal government had the authority to set up a compulsory marketing agency. The Lethbridge Herald summed up the case against the Wheat Board by stating that agriculture would benefit if the

¹Calgary Herald, July 16, 1931, p. 4.

fewest possible artificial restrictions were placed in the way of buying and selling.¹

There was one exception in the opposition to the Wheat Board. The Edmonton Bulletin, while supporting the formation of an Inter-Provincial Wheat Board, also brought forth strong arguments for the formation of a compulsory marketing agency under the control of the federal government. The Bulletin declared that the western crop was the biggest factor in shaping the business conditions of the Dominion and therefore the federal government ought to take more interest in it. In the past provincial wheat pools had had to look to the provincial governments for guarantees in the marketing of wheat and this had imposed a heavy burden on provincial taxpayers. Under a Dominion Wheat Board provincial taxpayers would be relieved of this responsibility.²

One tariff measure of the Bennett government did gain minimal approval from the anti-government newspapers. Through a combination of a subsidy on the transportation costs of coal shipped to certain points in Canada and a tariff against

¹Lethbridge Herald, June 26, 1931, p. 4.

²Edmonton Bulletin, July 16, 1931, p. 4.

coal from the United States, the Bennett government proposed to help the Alberta and Maritime coal industries. The Alberta press agreed that these measures would assist Alberta coal in replacing American coal in Ontario and Manitoba markets. The Lethbridge Herald hoped that this would not be the extent of Bennett's promised Dominion Fuel Policy and pointed out that the measure would have a bad effect on the mines of Fernie, British Columbia where most of the coal was shipped to the United States.¹

The 1931 Dominion budget promised to assist western agriculture with a bonus of five cents a bushel on the cost of transporting wheat. This plan won full support from Alberta newspapers, which joined together in calling it the most distinctive feature of the budget. It was agreed that western Canada would definitely benefit from the bonus, but several newspapers regretted that the wheat grown in the Peace River region of British Columbia would not be included in the plan. The Lethbridge Herald declared that the spending power of western Canada was so close to the vanishing mark that five cents would certainly help out and if the plan

¹Ibid., June 2, 1931, p. 4 and June 4, 1931, p. 4.

prevented the ruination of western agriculture Bennett would deserve congratulations from friends and foes alike.¹

Alberta newspapers asked for assurance that the bonus would be paid directly to the wheat growers and not to middlemen. With this provision confirmed, the wheat bonus received enthusiastic support from the Alberta press. The Edmonton Journal requested that the bonus be made permanent and even applied to other primary products. The Journal looked on the wheat bonus as a quid pro quo for the tariff legislation of 1930. Tariffs benefitted Ontario and Quebec and therefore it was only just that the west be given some compensation.² The wheat bonus would act to strengthen national unity because it would narrow the cleavage between east and west.

Certain tax increases of the 1931 budget provoked discussion in the press. In 1931 Bennett, in his role as Minister of Finance, increased the sales tax from one to four percent, increased the stamp tax, and introduced a cheque tax. A majority of Alberta newspapers agreed that

¹Lethbridge Herald, July 27, 1931, p. 4.

²Edmonton Journal, June 2, 1931, p. 4.

Bennett had a difficult and unpopular role to play in the framing of the budget. The Prime Minister was congratulated for having the courage to pile on taxes in an attempt to meet a huge deficit. Above all, the budget had to be balanced and with revenues shrinking and expenditures increasing little else could be expected but increased taxation. Only the Edmonton Bulletin suggested letting the deficit stand instead of increasing taxation to make it up. This was the method used when governments encountered unavoidable expenses in wartime and the same method should be applied during a depression.¹ One might find here a hint of the Keynesian economic outlook. The Bulletin, however, was not to persist in its suggestion of deficit financing, but nevertheless it is significant that this method was suggested as a means to overcome the financial difficulties brought on by the depression when every other major newspaper in Alberta was firmly supporting the idea of a balanced budget. Pro-government newspapers congratulated the government on resorting to the sales tax to increase revenues. It was thought that in this way the burden would

¹Edmonton Bulletin, April 3, 1931, p. 4.

be borne equally among the population, rich and poor alike.

The response to the lack of extensive tariff provisions in the budget was predetermined by the political alignment of the press. Pro-government newspapers claimed that the subordinate place of tariffs in the budget was due to the forthcoming Imperial Conference. The government could not overhaul the Canadian tariff schedule until it knew the results of the conference. Anti-government newspapers viewed the lack of strong tariff legislation as a sign of weakness in the Bennett government. They speculated that the tariff legislation introduced at the special session in September must not be producing the expected results. The Lethbridge Herald claimed that the Bennett government's tariff policy to date had been loosely formulated and lacking in thought.¹

The Alberta press, in discussing the policies of the Bennett government in 1931, had shown a considerable degree of willingness to understand the extraordinary problems of the time. The response to all issues, with the exception of the tariff, had been relatively free of partisan political

¹Lethbridge Herald

feelings. The unemployment problem was considered to be paramount. The press did not expect Bennett to end unemployment overnight, but he was quite justifiably expected to present some sort of definite and consistent plan to relieve the distress as much as possible. The "blank cheque" arrangement did not end the need for a comprehensive plan for unemployment relief. Even pro-government newspapers were beginning to demand that Bennett become more aware of the unemployment situation as it existed in western Canada.

The tariff quite naturally brought to the surface any political views a particular newspaper might have. The Liberal press was adamant in its belief that low tariffs would be most beneficial to Canada. Even though these newspapers were prepared to admit that Bennett had been given a mandate for a high protectionist policy they were skeptical about the value of this line of action. The Liberal press firmly backed Mackenzie King in his claim that the Conservative fiscal policy would only increase the misery Canadians were subjected to. The west would be particularly hard hit by high tariffs. Already Canada was losing markets and the price of wheat was steadily declining. The Conservative press maintained its uneasy silence on the specific benefits

of high tariffs. The vague claim that tariffs were good for the nation as a whole was not presented with the same force in 1931. Instead, the pro-government press, especially the Edmonton Journal, devoted editorial space to the call for compensating legislation for western Canada.

II

1932 was another year of drift in government policy. Bennett was not yet ready to reveal his plan to lead Canada out of the depths of depression. He was still patching the dike in an attempt to hold back the flood. Alberta newspapers continued to devote a major part of their editorial space to a discussion of unemployment relief and the tariff. The subject of federal government control of radio was another major issue in 1932.

A definite policy to deal with unemployment relief had not been evolved in 1932. The "blank cheque" arrangement of 1931 was extended and carried on into 1932. The call by the press for a definite relief policy in 1931 was repeated even more strongly in 1932. Editorial writers became repetitious in their pleas for a comprehensive relief plan. Pro-government newspapers began to wonder aloud whether the

Bennett government was really alive to the seriousness of the unemployment situation. It was an easy task to remind Bennett of his promise to end unemployment and few opportunities were lost to contrast the promise with reality. The Edmonton Journal stated that Bennett had gone too far in his promises of 1930 and had not made allowances for world-wide conditions that were beyond his control. His political opponents could hardly be blamed for calling him to account for these election promises.¹ Cities complained that they were not receiving their promised share of relief funds from the federal government and were therefore forced to borrow money and pay heavy interest charges to the banks. The press called this a disconcerting and serious situation. The many inconsistencies and contradictions in the government's relief policies were having a "destructive" effect on public confidence in the federal government.² The Calgary Herald reminded Bennett that the government must not deceive itself that the crisis was coming to an end.³ Bennett had

¹Edmonton Journal, February 25, 1932, p. 4.

²Calgary Albertan, May 2, 1932, p. 4.

³Calgary Herald, March 28, 1932, p. 4.

stated in the 1930 election campaign that unemployment was a national responsibility and now the Alberta press was urging him to do something constructive to end the distress.

As the year progressed it became apparent that the provision of unemployment relief through public works projects was too costly and the federal government began to turn to the idea of direct relief. The press equated direct relief with the dole and predicted severe consequences if the policy was adopted. Editorial writers in all Alberta newspapers were firm in their objections to the idea of giving relief while asking nothing in return. It was a source of great distress to the Alberta press that the country had gone so far that her unemployed were put on the dole. It appeared that the promise of 1930 to provide work for all who needed it had dwindled to the dole for those who were thrown out of work and reduced to want.¹ The dole would be delivered by the very man who had proudly proclaimed that there would be no dole in Canada as long as he was Prime Minister. The old objections to direct relief were brought forward once again in the editorial columns.

¹Edmonton Bulletin, April 13, 1932, p. 4.

Direct relief would lower the morale and self-respect of honest men who would prefer to work in order to receive their relief. The press was willing to concede that direct relief would be more economical, hence an important consideration in the financial plight of cities and municipalities. Cities were at the end of their "financial tether" and could not undertake greater burdens. The Calgary Herald expressed the mood of ^[sic] a majority of Alberta newspapers, pointing out that while direct relief might be more economical, it was less humanitarian. "The saving in dollars will not compensate of a weakening of the individual and national fibre."¹ The Edmonton Bulletin demanded an inquiry into the state of affairs in which a country could afford to give men the dole but could not afford to have them work for the dole.²

Several expedients were suggested to improve the system of unemployment relief. A Dominion-wide survey, tabulation and registration of all unemployed persons would enable the government to be more efficient and scientific in its administration of relief. The problem of transients

¹Calgary Herald, April 12, 1932, p. 4.

²Edmonton Bulletin, March 19, 1932, p. 4.

still existed in 1932, but it was obscured in the editorial columns by the issue of direct relief. Newspapers in Edmonton and Calgary continued their demands for federal government assistance in looking after transients. The idea of concentrating single unemployed men in certain areas was suggested in order to cut down costs.¹ Another scheme mentioned by certain Alberta newspapers was a "back to the land movement." The federal government was urged to assist indigent families in getting a start at subsistence farming. Western Canada had many acres of vacant land which could provide a living for the families of a considerable number of unemployed men. A suggestion of the High River Times demonstrated the extreme position that some Alberta newspapers were prepared to take. The editor proposed that more discrimination be shown in employment. If aliens were deported and the "Canada first" policy applied to employment, many Canadians would be able to find jobs.²

Canadians were faced with the same unemployment relief problems in 1932 as in 1931. The only factor that

¹In October 1932 the federal government first set up relief camps for single unemployed men.

²High River Times, February 25, 1932, p. 2.

had changed was that the number of unemployed men had increased. The press was frightened by the prospect of direct relief, but willing to accept direct relief rather than no relief at all. The reaction to the news that the Bennett government was planning to ask for an extension of the Unemployment and Farm Relief Act of 1931 was swift and predictable. Pro-government papers, joined by the Calgary Albertan, claimed that the government had used its extensive powers wisely in 1931 and under the abnormal conditions facing Canada had really no choice but to continue the arrangements. No one could anticipate what expenditures the government would be called upon to make in the next twelve months and it was best that the government have the greatest amount of flexibility in the administration of relief. The government was reminded once again that the granting of these extensive powers carried with it great responsibility. The anti-government press condemned Bennett for usurping the powers of Parliament. They pointed out that they were not opposing the relief measure itself, but only attempting to assert the right of Parliament to control financial matters. After two years the government should be able to assess the amount needed for unemployment relief. The

Edmonton Bulletin claimed that the extension of the "blank cheque" arrangement savoured of "Mussolini methods." Ministers could ignore Parliament, deciding how, where, and when to spend relief funds.¹ The Bulletin was the first Alberta Liberal newspaper to charge Bennett with dictatorial methods. During the next three years this was to become a favourite claim of the Liberal party.

The discussion of tariff questions in 1932 was not as extensive as in 1931. The reason for this was the impending Imperial Conference, which was to meet in Ottawa in July. The press was content to wait and see what would happen. In scattered editorials, the anti-government press continued to preach the traditional western low-tariff gospel. The main effect of Bennett's high tariff legislation to date, they said, had been to barr imports. If other countries could not sell their products to Canada they would not buy Canadian products. Canada produced a surplus of wheat and must export this surplus for the farmer to survive. Canada needed the wealth created by the sale of primary products to buy the goods produced by her factories. Raising

¹Edmonton Bulletin, May 14, 1932, p. 4.

tariffs and shutting out imports had killed revenue at a time when it was badly needed. The Lethbridge Herald claimed that it was the high tariff parties which had brought about the depression with their foolish policies.¹ The press in southern Alberta, now joined by a pro-government newspaper, the Calgary Herald, continued to press the Bennett government for a protective tariff on raw wool and cane sugar. The government was accused of setting up the manufacturers as a privileged class. Anti-government newspapers discarded high tariffs as a solution to the employment problem. Those who believed high tariffs would create employment were accused of indulging in a "fiscal dream."²

After 1930 the newspapers contained scattered editorials on radio policy. The Liberal government under Mackenzie King had set up the Aird Commission to investigate conditions for development of a national broadcasting system. The Commission recommended that the federal government take over radio broadcasting. The Alberta press solidly favoured the Aird Commission recommendations, advocating nationaliza-

¹Lethbridge Herald, February 12, 1932, p. 4.

²Ibid., April 15, 1932, p. 4.

tion of radio facilities and the development of a national broadcasting system in Canada. Satisfaction was expressed at the Privy Council's decision that broadcasting in Canada was a federal responsibility.

The press envisaged no difficulties in meeting the operating expenses of a national broadcasting system. License fees for radio users and the rental of commercial time on a controlled basis would provide all the funds needed. The only problem that the government could possibly encounter was the accumulation of funds for capital expenditure. Several powerful transmitters would have to be built in order to develop a truly national system. The press held up the British radio system as an example to be imitated.

Arguments advanced to support the idea of a national broadcasting system were many and varied. Only through a government controlled system could high quality broadcasts be provided for all of Canada. Canadian advertising revenues were judged to be insufficient to allow private systems to carry "costly" programs. The press viewed radio as an important vehicle in exerting national influence and national spirit. Private radio stations were sometimes using four-fifths of their time for programs made in the United States,

thus hindering the development of Canadian nationality. The Calgary Herald expressed the "national" argument in this manner:

If we are to remain Canadian, not merely in name but in devotion to a common tradition, if the nine provinces are to be knit together in bonds of closest sympathy, the development of broadcasting in accordance with a national plan is imperative.¹

The Bennett government was urged to take prompt action in developing a national broadcasting system. Radio owners had been warned that in the event of nationalization they would not be reimbursed for improvements made to facilities in the last two years. This meant that Canadian stations were losing ground to American stations which had kept abreast of technical improvements. The International Radio Conference was to meet in Madrid in 1932 and the Alberta press thought that Canada would be able to present a stronger case for more wave lengths if she arrived at the Conference with a definite radio policy. The present was the best time for the government to take over radio facilities. Prices were low and many radio stations were losing money because advertising revenue was scarce. When times

¹Calgary Herald, April 6, 1932, p. 4.

returned to normal the financial position of the radio stations would improve and opposition to nationalization would harden. Prompt action by the federal government to take over radio facilities would insure Canadians a truly national broadcasting system.

In 1932 the press appeared much more reluctant to accept the new hardships imposed by the budget. This was especially true of the Liberal press. For the second year the budget announced new tax increases. The sales tax was increased to six percent. It was acknowledged in the press that the government was having difficulty in meeting the large deficits built up by expenditures on unemployment relief and the wheat bonus. The pro-government newspapers congratulated the government for its excellent record in balancing budgets by increasing taxation and cutting expenditures. Bennett was increasingly concerned about Canadian financial solvency and the budget reflected intense efforts to insure that all financial obligations of the country would be met. Anti-government newspapers claimed that the budget had increased the cost of living in a time when purchasing power had been cut drastically. The Lethbridge Herald called the budget "optimistic," based on the

government's estimate of the people's ability to pay new and existing taxes.¹ The Edmonton Bulletin declared that it was a depression budget framed in the recognition that prosperity would not return soon.² It was hoped that conditions would not make it necessary for a similar budget in 1933.

Editorial discussion in 1932 had centred on the problem of unemployment relief. Editorial writers continued to call for a definite plan to deal with it. The Alberta press agreed to accept direct relief but only after listing firm objections. It was thought that Canada must find some way to keep employed men at work while giving them relief. The press, however, failed to propose how this was to be accomplished. The discussion of the tariff was curtailed somewhat by the impending Imperial Conference, the outcome of which the press awaited with great anticipation.

¹Lethbridge Herald, April 7, 1932, p. 4.

²Edmonton Bulletin, April 9, 1932, p. 4.

CHAPTER III

TRADE AND MONETARY PROBLEMS

I

A special Imperial Conference met at Ottawa in 1932 in an attempt to negotiate preferential trade agreements between the countries of the Empire. Bennett once again was prepared to present his proposals for an Empire trading block. Conditions seemed much more favourable in 1932 for the success of this scheme. The personality of the British delegation had changed somewhat from 1930. In the place of men from a Labour government with strong free trade traditions came representatives of the new National Government which was proposing to introduce a protectionist policy to Britain. The countries of the Empire, especially Britain and Canada, had been through two years of severe economic difficulties and seemed to be much more willing to tackle the problem of closer Imperial trade relations. Writing after the conference, the Round Table made this remark.

Hence the time and circumstances were ripe for a new line of progress for the British Commonwealth. Political devolution was over, integration but a

dream; the hope lay in co-operation, and particularly economic co-operation, since economic problems cried loudest for solution.¹

The men who gathered at Ottawa thought that the very future of the Empire might depend upon the success of their deliberations.

The conference aroused great hope in the Alberta press.² The press thought that the controversial issue of tariffs might finally be resolved through the Ottawa meetings. Canadian trade had been rapidly declining since 1930 and any attempt to bring about a trade revival was assured of support. If the Empire could be put on a firm economic basis, substantial progress would be made in bringing about a return to normal trade conditions. The Calgary Albertan wrote that the conference had the opportunity to transform the British Empire from a political to an economic organization.³ The Alberta press was even pre-

¹The Round Table, v. 23, 1932-33, p. 45.

²As mentioned previously pro-British feeling was very strong in the press. News of political events in Britain was always placed in the front paper, while reports of events in the United States were usually buried in the back pages. The comings and goings of the royal court particularly fascinated the Alberta press and no opportunity was lost to publish a photo of the King and Queen or the list of Canadians being presented at court.

³Calgary Albertan, July 19, 1932, p. 4.

pared to credit the Ottawa meeting with greater potential than the creation of a stronger Empire. If the British Empire could find the means to increase trade an example would be provided for other countries to follow. Conservative and Liberal newspapers joined together in expressing their confidence about the outcome of the conference.

The Alberta press was very proud that Canada had been chosen as host for the conference. It was justifiable that the conference be held in Canada because Bennett had been the driving force behind its calling. Bennett had long been a proponent of increased Imperial trade and the conference seemed to be the culmination of all his efforts in that direction. At London in 1930 Bennett had failed to secure British support for his plan of mutual preference between Empire countries. He was being given his second and perhaps his last chance in 1932 to secure support for this idea. Alberta newspapers predicted that the outcome of the conference would have an important effect on Bennett's political career. If he succeeded in gaining preferences for Canada in the markets of the Empire his political prestige would be enhanced. If he failed, his political career might be destroyed.

The main task confronting Bennett at the conference, according to the Alberta press, was to find markets for Canadian primary products. Western Canada would judge the value of the conference solely on this basis. If Bennett could secure preferences for the products of Canadian farms, mines, and fisheries, western Canada would support his policies. Bennett had been paying attention to the concerns of the manufacturers for too long.¹ It was time to do something to equalize the benefits between manufacturers and producers of primary products. The press was well aware that Bennett would run into difficulties in attempting to secure markets for primary producers. In the past Bennett had been strongly supported by the manufacturing interests. Undoubtedly these people would attempt to prevent any concessions for Imperial manufactured goods on the Canadian market. It was predicted that Bennett could be successful in obtaining preference for Canadian primary products as long as he did not adopt an "unreasonable attitude."² The fact that the Lethbridge Herald and Edmonton Journal could ex-

¹Lethbridge Herald, July 26, 1932, p. 4.

²Edmonton Journal, July 21, 1932, p. 4.

press such similar opinions shows the concern of Alberta about Bennett's conduct at the Conference. The possibility that there might be some sort of conspiracy among eastern industrials to prevent the west from selling its products at the best possible price was now beginning to concern even pro-government newspapers in Alberta.

The Alberta press was unanimous in its desire to see freer Imperial trade. It was convinced that the lowering of tariff barriers was the only way to promote Imperial trade. Lower Canadian tariffs for British manufactured goods was the price that Canada must pay for preferences in the British market. Tariff concessions were the one bargaining weapon that Bennett had in his possession and Alberta newspapers were sure that if Bennett was willing to lower tariffs he would be able to secure a trade agreement with Britain. The Lethbridge Herald expressed the argument in this manner:

If Mr. Bennett is big enough and brave enough to forsake policies he had advocated in the past so as to bring about better trade relations within the Empire, he may expect to be criticized for a "change of front," but he will be given credit also for doing it because he found it was the only course to follow to bring about the result, freer Empire trade, that the Empire so eagerly

hopes for.¹

The Alberta press considered the British market worth having and thought that Bennett possessed the power to get it. The editorial columns of 1932 provide the first instances of Conservative papers in Alberta specifically urging Bennett to fight for lower tariffs in inter-Empire trade. The language used is not as strong as that of the Liberal press, but nevertheless the switch had been made from mild acceptance of Bennett's tariff position to the realization that compromises must be made in Canada's tariff stand in order to sell wheat.

In what might be regarded as a rather strange turn of events, Alberta editorial writers began to talk about Bennett as the man who would fight for markets for Canadian primary producers against strong opposition from the Canadian manufacturing class. For a brief moment even strongly anti-government newspapers looked to Bennett as the champion of the agricultural interests. The Calgary Albertan stated that there was a great difference between the 1930 Imperial Conference and the 1932 Ottawa meeting. In 1930

¹Lethbridge Herald, August 4, 1932, p. 4.

Bennett had gone to London as a convinced protectionist and encountered the British who still believed in free trade. In 1932 conditions had changed somewhat. Bennett was now a modified free trader and the British believed in modified protection.¹ It would appear that Alberta newspapers did not understand Bennett's intentions. The Conservative press thought that Bennett was prepared for a general lowering of tariffs to facilitate exports of primary products. At first Liberal newspapers also indulged in this line of thinking. This tone of confidence in Bennett was not to last and it was not long before the Lethbridge Herald and the Edmonton Bulletin were detecting evidence that the "Canada first" policy was still motivating the Canadian government in the negotiations at Ottawa. The Bulletin stated that the day had passed when the idea of an Empire customs union was feasible. Bilateral agreements would prove to be the only way to promote Imperial trade and the Canadian manufacturers would not have to worry about Bennett handing out tariff concessions freely. The evidence of the past two years had shown what Bennett's trade philosophy was.²

¹Calgary Albertan, July 23, 1932, p. 4.

²Edmonton Bulletin, August 8, 1932, p. 4.

The idea of a British preference on Canadian wheat appealed to the Alberta press. Some farm leaders felt that a British preference would hinder the sale of Canadian wheat on the world market. Britain could only buy a small part of the Canadian wheat surplus and a British preference might possibly antagonize other countries which bought Canadian wheat. The press regretted the hesitation at accepting a British preference and warned that no harm would come to Canada as a result of the preference. The Calgary Herald thought that the opposition to the preference was "strangely composed" as it consisted of the wheat pools and the Winnipeg Grain Exchange.¹ The press declared that the wheat preference would be the most desirable result of the conference.

After extremely strenuous effort, an agreement was negotiated between Canada and Britain. In return for certain tariff concessions in the Canadian market Britain agreed to grant preferences to certain Canadian primary products. The first response to the agreement by the Alberta press was most enthusiastic. It was predicted that the agreement would open up "large possibilities"² for the sale of Canadian

¹Calgary Herald, July 30, 1932, p. 4.

²Edmonton Journal, August 20, 1932, p. 4.

primary products in Britain. The preference applied to wheat and to the products of mixed farming. Alberta newspapers were confident that the sale of farm products would be increased if Canadian farmers were prepared to take advantage of the agreement. At first sight the agreement seemed to substantiate the belief that Bennett had "turned his back" on high tariff interests. This action was taken to mean a reversal of Conservative trade policy. By agreeing to slash tariffs Bennett was judged to be making amends for previous obstacles placed in the way of Anglo-Canadian trade.¹ The hope for expanded markets in flour, livestock, poultry, and dairy products pleased Alberta newspapers. The press now awaited news about the extent of Canadian tariff concessions to Britain. This information was to be revealed when the Canadian Parliament met in October to ratify the Ottawa agreement.

Alberta newspapers praised the Imperial Conference for beginning a new era in Imperial history. It was hoped that the conference had set the Empire in the right direction for the future. The outcome of the conference was a compro-

¹Lethbridge Herald, August 22, 1932, p. 4.

mise which would make the Empire stronger and give it a firm economic foundation. The press did not think that the Anglo-Canadian agreement would solve all the problems confronting the two countries, but the agreement would certainly count as a significant beginning in promoting trade. The agreement might serve as a pattern for other agreements between the nations of the Empire. The willingness of Canada and Britain to lower tariffs and grant preferences would free the channels of trade and assist in the return of prosperity to the two countries. Britain was commended for the sacrifice she had made in placing a tax on food in order to grant preferences to the Dominions. The event was called a "new departure" in British history.¹ The conference had given renewed hope to the primary producers of western Canada.

Disillusionment came when the extent of the Canadian tariff concessions were revealed in the Canadian Parliament called to ratify the Ottawa agreement. Alberta newspapers were still very pleased with the free entry of Canadian primary products into the British market, but the Canadian

¹Ibid., August 22, 1932, p. 4.

tariff revisions met with severe criticism from certain newspapers. The Liberal press remained convinced that the tariff revisions had to be extensive to make the new agreement worthwhile. If Britain was willing to grant Canada valuable preferences, Canada should be willing to grant concessions to British manufactured goods. British manufactured goods must be given the opportunity of fair competition on the Canadian market. However, the anti-government press was very disappointed in the proposed Canadian tariff revisions. Bennett was accused of trying to make it appear that Britain was receiving a bargain, while in reality all that she got was the removal of a few specific duties. Bennett was not lowering the British tariff; he was only increasing the tariff against the goods of other countries. This was hardly the spirit in which Canadians expected Bennett to conclude a bargain with Britain. The Lethbridge Herald stated that it was now easy to see why there was opposition in Britain to Imperial trade.¹ The Calgary Albertan changed its whole-hearted enthusiasm for the agreement to "qualified enthusiasm."² Conservative papers were

¹Lethbridge Herald, October 18, 1932, p. 4.

²Calgary Albertan, October 7, 1932, p. 4.

strangely silent when the tariff revisions were revealed. This silence can only be interpreted as disappointment over the concessions Bennett had made to Britain.

The most significant factor in the editorial commentary on the Imperial Conference was that Conservative newspapers had joined the Liberal press in calling for a general lowering of tariffs in order to stimulate trade. This slender thread of agreement was to break down as soon as the extent of Bennett's tariff revisions became known. For the first time the Conservative press had given a clear indication on the course of action it thought best for Canada at the Imperial Conference. For a brief moment Conservative newspapers strayed from the party line and adopted a much more typically western attitude.

II

An issue frequently discussed in the editorial columns of Alberta newspapers in 1933 was monetary reform. It is significant to look at this discussion since the province of Alberta was to turn in 1935 to a political movement which advocated rather unorthodox monetary policies. Even in 1933, before the Social Credit movement was really im-

portant, several Alberta U.F.A. members of Parliament were raising the issue of monetary reform in the House of Commons.

The first problems arose over certain exchange difficulties encountered in the operation of the Anglo-Canadian agreement reached at the Ottawa conference. Through consistent efforts of the Bennett government, the Canadian dollar had maintained a high rate of exchange in relation to the British pound. This meant that Canadians would lose money when selling goods to Britain. Editorial writers of both Conservative and Liberal newspapers pleaded with Bennett to set the Canadian dollar on a par with the British pound. The movement to devalue the Canadian dollar had very firm support in western Canada. It was pointed out in the press that the exchange difficulty would make the Ottawa agreement much less valuable than it first appeared to be. Canadian primary producers had already been hard hit by declining prices and this seemed to be a further blow at their earning power. In addition, there was some discussion about Canada going off the gold standard, with most Alberta newspapers urging this line of action.

Bennett had been extremely proud of his "sound money" policies. His government had undertaken considerable effort

to insure the stability of the Canadian dollar and to maintain Canada's credit abroad. The Alberta press viewed this action as benefitting only the eastern financial circles. Already the cry was being taken up in the west that it was the money barons of the east, or the "fifty big shots" as Aberhart was to call them, who had brought on the depression and were profiting from it. The Liberal press severely criticized Bennett's "sound money" policies, which appeared to be preventing the deflation of the dollar. The Lethbridge Herald called Bennett's fiscal policies "foolish in the extreme."¹

Another subject concerning the Alberta press was interest rates. During prosperous times farmers had gone heavily into debt, mortgaging their farms to buy machinery and land. With the advent of the depression farmers found themselves in the position of having to pay back debts contracted in a time when earnings and expectations were high. Since 1930 prices for farm products had been steadily declining and the farmer found that he must sell much more produce in 1933 than in 1929 in order to pay the same amount

¹Lethbridge Herald, April 26, 1933, p. 4.

of indebtedness. The loss of markets in the 1930's prevented the farmer from selling this produce. In those areas of the west affected by drought the farmer found himself without the necessary produce to sell, even if there had been markets. The usually conservative Calgary Herald led the call for an investigation of interest rates. The Herald called high interest charges the worst feature of the depression in the west. Farmers, already paralyzed by other effects of the depression, were being placed at the mercy of the "creditor" class. It was suggested that farmers be allowed to pay their debts on a scale proportional to their earnings.¹ The denunciations of the creditor class and hints at eastern financial conspiracy also appeared in such weekly papers as the Coleman Journal and the Red Deer Advocate. The Advocate claimed that too many people were having to mortgage everything in order to pay the banks.² The Alberta press had applauded the conversion loans undertaken by Bennett in order to lower the interest rates paid by the federal government. It urged that similar methods

¹Calgary Herald, February 9, 1933, p. 4.

²Red Deer Advocate, January 25, 1933, p. 2.

be used to reduce the burden of private debts. A revision of interest rates would stimulate all branches of industrial and commercial life.

In an effort to assist farmers for the loss suffered because of exchange difficulties in the British market, the Bennett government introduced the agricultural stabilization plan in 1933. The pound sterling was pegged at \$4.60 and the exporter was paid the difference between the value he received in pounds and the value of the pound estimated at \$4.60. The Alberta press agreed that the measure would be of benefit to western agriculture. Exports to Britain would be more profitable for primary producers and the Anglo-Canadian trade agreement would function more efficiently. Conservative newspapers claimed that the measure demonstrated the anxiety felt by the Bennett government for western agriculture. It was thought that the measure would be of special benefit to the cattle industry which was in a "critical state" because of losses suffered when shipping overseas. Now cattle men would be able to obtain the full price for their products.¹ The plan would bring benefits,

¹Calgary Herald, March 23, 1933, p. 4.

but it was not the final solution to the problems of western agriculture.

Another issue which sparked editorial comment was Bennett's ultimatum to the four western provinces. In a letter to the four western premiers Bennett declared that unless provincial deficits were kept to one million dollars, the federal government would appoint a financial controller. The Lethbridge Herald called the tone of the letter "surprising." If Bennett had made the west prosperous, as promised in 1930, "financial dictatorship" would not have been possible.¹ The Alberta press did agree that something would have to be done about the huge provincial deficits. Bennett was given credit, especially by Conservative papers, for coming to the aid of the provincial governments when they had been hard pressed for funds. It was pointed out that a large part of provincial deficits resulted from relief expenditure, an area under the control of the federal government. Bennett had decided the unemployment relief arrangements and the provincial governments had to agree or receive no relief assistance. The large provincial

¹Lethbridge Herald, April 24, 1933, p. 4.

deficits were not entirely the fault of the provincial governments. Liberal newspapers maintained that Bennett's tariff policy had caused extreme hardship in the west and made increased expenditure necessary. The writings of the Alberta press indicated that it thought the federal government had a responsibility to step in and provide further financial assistance for provincial governments. The provinces could take steps to reduce expenditures, but it was the federal government which must assume the major responsibility in stabilizing provincial finances. The provinces were powerless to carry on adequate programs of relief without increased financial assistance from Ottawa.

The Calgary Albertan showed distinct predilections towards Social Credit in its comment on Bennett's ultimatum. It saw the ultimatum as evidence that democratically elected governments had little control over economic policies. Real power was in the hands of the creditors of governments.

The forces which are forcing Mr. Bennett to dictate to the Western provinces, you cannot see; cannot destroy; you cannot clearly define. They are the product of a monetary and credit system so complex that it is impossible to tell (except in a few cases) who are the heros of the piece and who are the villains.¹

¹Calgary Albertan, April 24, 1933, p. 4.

The Albertan was to be the only major Alberta newspaper which supported the Social Credit movement in the debate which swept Alberta in 1935.

It became evident in 1933 that the Alberta press was becoming increasingly concerned over the budgetary steps the Bennett government was taking to ease the effects of the depression. The budget of 1933 again announced substantial tax increases for Canadians. Previously the Alberta press had been content to tolerate these tax increases as a necessary companion of the depression. 1933 was the third successive year in which taxes had gone up while revenues were shrinking. Alberta newspapers now declared that taxes were becoming an intolerable burden for Canadians. The Edmonton Bulletin stated that Bennett's duty was not to take money from the people in the form of taxes, but to get more money so people could pay taxes.¹ The press noted that the tax increases hit all Canadians equally, but saw little comfort in this. The Lethbridge Herald summed up the Canadian fiscal situation in this manner:

Our trade is cut in two, our imports are small, our

¹Edmonton Bulletin, February 11, 1933, p. 4.

customs tax rates are high, and the revenue from this source is small. The result is that we must go from indirect to direct taxation to raise our revenues. Direct taxation comes directly from our pocketbooks at a time when those pocketbooks are seriously deflated.¹

Anti-government newspapers were quick to point out that the reason for declining revenue, and therefore for the need for increased taxation, was the restrictive tariff policy practised by the Bennett government. Three years of high tariffs had resulted in declining trade and mounting unemployment. The Calgary Herald looked on the budget as evidence that the government was unable to come up with any original ideas to deal with the depression in Canada. The only method the government seemed to be able to employ was increased taxation.² The Alberta press expressed the hope that the 1934 budget would tell a different story.

There were a few editorials in Alberta newspapers in 1933 on the Anglo-Canadian trade agreement. The pro-government press felt satisfied that the agreement was opening up British markets to Canadian products despite the exchange difficulties. The anti-government press was con-

¹Lethbridge Herald, March 22, 1933, p. 4.

²Calgary Herald, March 22, 1933, p. 4.

vinced that the agreement was not as encouraging as it was first made out to be. According to the anti-government press the Bennett government was still engaged in maintaining the various tariff devices which restricted the entry of British products into Canada. The Lethbridge Herald pointed out the trouble encountered by the city of Lethbridge when it attempted to import British alum, which it had found to be of better quality and cheaper than that made in the United States. When Canadian dumping duties were added to the price, it proved to be too expensive.¹

In 1933 Bennett announced that his government was prepared to negotiate a reciprocal trade arrangement with the United States. This pronouncement quite naturally caused comment in the Alberta press. Editorial writers agreed that any arrangement which lowered the trade barriers between the two countries would be welcomed. A market in the United States for Canadian lumber, fish, and dairy products would be sufficient to justify the lowering of Canadian tariffs.² Anti-government papers were very skeptical

¹Lethbridge Herald, March 20, 1933, p. 4.

²Calgary Herald, April 24, 1933, p. 4.

about Bennett's conversion to the idea of reciprocity. They could see no evidence in the previous three years to justify this change of heart. The Lethbridge Herald declared that the thought of Bennett agreeing to reciprocity would leave Canadians "gasping for breath."¹

Alberta newspapers had focused their attention on trade and monetary problems during the latter half of 1932 and during 1933. Conservative and Liberal newspapers jointly argued that Bennett must be prepared to lower the Canadian tariff in order to promote trade with the countries of the Empire. When it became clear just what Bennett's intentions were the Liberal press reverted to its old line of attack and the Conservative press lapsed once again into uneasy silence. The issue of monetary reform also brought forth considerable unanimity in the editorial columns of the Alberta press in 1933.

¹Lethbridge Herald, February 27, 1933, p. 4.

CHAPTER IV

HOPE REVIVED

I

1934 was to be an important year for the Bennett government for it would mark the beginning of a bold departure in government policy. In the previous three years of his administration Bennett appeared to have no clear concept of the course of action his government planned to follow in order to combat the depression. In 1934 Bennett introduced major pieces of legislation which were to be the beginning of the so-called Bennett New Deal. The most significant legislation in the New Deal was to come in 1935, but with the Bank Act, the Natural Products Marketing Act, the Farmers' Creditors Arrangement Act and the Price Spreads Inquiry of 1934 Bennett confirmed that the government was at long last prepared to take definite steps to solve some of the problems created by the depression.

Business conditions began to improve in 1934. Although business activity was far from what might be considered normal, compared to the four previous years there

appeared to be a slight possibility that the distressing conditions that had been plaguing Canada had begun to improve. The Round Table commented on the situation in this manner:

... there began in the spring an upward movement in business, which continued throughout the summer and autumn and by the end of 1933 had brought the official index of the physical volume of business to a level roughly 27 per cent above the low point reached in February of last year. But welcome as this improvement is, it still leaves economic conditions very far below any level that would be counted in Canada as decent prosperity....¹

The hope that prosperity might be around the corner was reflected in the federal budget of 1934. For the first time the Bennett government announced no new major taxes and some minor tax decreases, most notably a reduction in the sugar tax. Most Alberta newspapers applauded the government for this change. The Conservative press thought that the budget presented a brighter outlook for Canada. The Edmonton Journal wrote that the lower tax burden would mean "a good deal after being steadily increased for several years, and good grounds for hope that they would be much further lightened twelve months hence...."² The press was especially pleased at the

¹The Round Table, v. 24, 1933-34, p. 387.

²Edmonton Journal, April 19, 1934, p. 4.

reduction in the sugar tax which had been imposed in 1932. This step would remove a heavy burden from the consumer and lower the price of a product produced in southern Alberta. The anti-government press once again voiced regret that no steps had been taken to lower Canada's high tariff rates. It did agree that the cutting in half of the three per cent excise tax on British goods might provide some stimulus to trade, but more would have to be done before Canada's trade picture would return to normal.

The provision of the budget which excited most comment in editorial columns was the gold tax. The Minister of Finance proposed a tax on gold when the price was above a certain level. A majority of Alberta newspapers looked on this tax as the means to make up the revenues lost by the reduction in the sugar tax. With a few exceptions the press hailed this measure as a good one, because the tax would fall on those best able to bear it. It was expected that there would be complaints from the gold mining industry and that some of these complaints might be justifiable. The new tax might severely restrict the operations of many small mine operators and even force some out of business. The Edmonton Bulletin was opposed to the new tax. The Bulletin

claimed that the gold mining industry had been the most constructive factor in Canadian economic life during the last five years. It looked on the tax as yet another example of money restriction. The Bulletin also claimed that the tax established a dangerous precedent, depriving the provinces of property and civil rights. In reality the tax would mean the expropriation of part of the province's gold assets and the right of the provinces to level taxes on production. The Conservatives could not be applauded for taking this measure to ease Canada's tax burden.¹

Unemployment relief continued to be a cause of great concern to Alberta newspapers. The press had always been unhappy with the provision of direct relief and had called on the Bennett government to provide a massive program of public works to get unemployed men to work. Public works appeared to be the only solution for unemployment which the press was prepared to endorse. There was a strong belief that a vigorous program of public works financed by the federal government would revive all sectors of the economy and provide very direct benefits to all parts of the country.

¹Edmonton Bulletin, April 21, 1934, p. 4.

The press watched carefully for any sign of a reduction of federal government contributions to unemployment relief. Editorial writers maintained that the municipalities, cities, and provinces had already been long overburdened with relief obligations and were in dire need of increased federal assistance. The press, while urging increased federal expenditure for unemployment relief, was reluctant to say where the federal government would obtain the necessary money.

Newspapers persisted in reminding Bennett that the unemployment situation must still be considered a national emergency. The west was still faced with massive unemployment which continued to grow worse every year. Since 1932 even pro-government newspapers had been criticizing Bennett for delays in the handling of the situation. He was urged once again to implement his promise to end unemployment. Even though employment conditions might be improving in the east, the same was not true in the west. Western Canada, and especially Alberta, still needed federal government money to provide assistance to the unemployed. In reviewing the government's record in the unemployment relief field the press complained about the manner in which assistance had been given. The federal government was constantly hedging,

ignoring conditions, and worse yet providing inadequate assistance. The relief machinery was cumbersome and inefficient.

Bennett announced early in 1934 that he would present a bill to Parliament setting up public works projects for the unemployed. The press greeted this announcement with great enthusiasm and looked forward to its presentation. However, prior to revealing his plan for public works, Bennett announced that the government was considering cutting off all federal contributions for direct relief to the provinces and municipalities. The press was horrified at this turn of events. Editorial writers denounced the withdrawal of federal funds as ignorant and calamitous. In an editorial entitled "Little They Know of Canada" the Calgary Albertan declared that government ministers sitting in Ottawa obviously knew very little about employment conditions in western Canada.¹ The press argued that the western provinces could not fend for themselves. If the federal government cut off funds the provinces and municipalities would be forced to discontinue giving relief to many of their citizens who

¹Calgary Albertan, June 4, 1934, p. 4.

really needed it. It would be months before the proposed federal public works project would have any effect on general economic conditions and until that time the provinces and municipalities needed federal government assistance. Alberta newspapers were convinced that Bennett did not understand the extent of the misery caused by unemployment in the west. When the federal government's public works project was finally announced the Alberta press registered extreme disappointment. What most annoyed Alberta newspapers was the method of dividing the public work's funds. The federal government proposed to allot the money to the provinces on the basis of population. This meant that Ontario and Quebec would get by far the largest share. The press thought that this was a grossly unfair manner in which to distribute the money. It would be especially unjust for provinces with small populations like Alberta. It was argued that Ontario and Quebec were in a much better position than the western provinces. Industry was reviving much more quickly than agriculture, and Ontario and Quebec were predominantly industrial. The Edmonton Journal claimed that the east had received the benefit of the tariff legislation and therefore were not in

as much need of relief funds as the west.¹ The press stressed that the distribution of relief funds must have some relation to conditions of employment. Relief money distributed on the basis of need rather than on the basis of population figures would provide the western provinces with a more equitable share.

The first piece of legislation designed to provide stricter government control of the economy was the Central Bank Act. Acting on the recommendation of the Macmillan Commission on Banking and Monetary Problems a central bank was set up which was to regulate credit and currency. Private subscribers were to hold the majority of shares in the new bank but the government was to appoint officials. For some time Alberta newspapers had been very critical of the operation of the ten Canadian chartered banks. It was suspected that the banks, owned and controlled by financiers in eastern Canada, were at the root of many of the monetary problems that beset the west. The Alberta press therefore was unanimous in its approval of the formation of the new insti-

¹Edmonton Journal, June 20, 1934, p. 4.

tution. It was hoped that creation of the bank would lead to an easing of interest rates and restrictions on credit. The new bank was seen as a valuable weapon in ending the depression.

There was considerable debate on the type of institution that should be set up. The point of contention was whether the bank should be publically or privately owned. A majority of the press wished to see a publically owned central bank with the federal government providing the capital and selecting the officials. These newspapers wished to see the regulation of credit and currency left in the hands of the federal government. Private control might lead to the suspicion that the bank was being used to further private interests. The Edmonton Bulletin put this argument in much stronger words.

The difference between a public-owned Central Bank and a privately-owned Central bank is just the difference between having the money policy of Canada made in the House of Commons in the interests of the people and having it made in St. James Street, Montreal for the privileged few who have brought ruin to millions of Canadians.¹

As far as the Edmonton Bulletin could see, a privately owned

¹Edmonton Bulletin, February 24, 1934, p. 4.

central bank would mean that all the control of the government over monetary policy would be destroyed.¹ The Edmonton Journal, while supporting the idea of a publicly owned bank, was anxious to make sure that steps would be taken to ensure that there would be no unwarranted political influence on the bank. Intelligent public opinion would have to be relied on to make sure that politicians did not influence bank policy in the case of a public ownership. This could be done if the people involved in the operation of the bank had a high sense of public duty. The Bank of England provided a good example for Canada to follow. The Journal pointed out that it was backing the efforts of Alberta's Premier Brownlee for a publicly owned and operated central bank.²

The Calgary Albertan and the Lethbridge Herald were prepared to accept the idea of a privately owned bank providing that certain precautions were taken. These two newspapers claimed that a publicly owned bank would be subject to just as much exploitation as a private bank. The Albertan

¹Ibid., March 5, 1934, p. 4.

²Edmonton Journal, April 12, 1934, p. 4.

called public ownership a "fetish" and declared that the principle was "over-venerated."¹ The Herald expressed "surprise" at the safeguards provided by Bennett for private ownership. These were much more liberal than had first been expected. As long as there were provisions for a limitation on dividends and payment of excess profit to the federal treasury little reason existed for objections to private ownership. With incentive to undue profit removed a private bank could function just as effectively as a public one.²

In their discussion of the Central Bank Act Alberta newspapers were quite prepared to disregard established political loyalties. The Edmonton Journal and the Edmonton Bulletin were two unusual allies in promoting the idea of a publicly owned institution. The Calgary Albertan and the Lethbridge Herald were two prominent Liberal newspapers, but they did not back King in his call for a publicly owned bank.

The next step which was to provide increased regulation of the economic system was the Natural Products Marketing

¹Calgary Albertan, March 10, 1934, p. 4.

²Lethbridge Herald, February 23, 1934, p. 4.

Act of 1934. The Act was an attempt to control the very chaotic state of marketing which existed in Canada. It was designed essentially to benefit primary producers.

The core of the structure is to be a Dominion marketing board... the board is to be endowed with very drastic powers, and authorized to form local boards and to co-operate with provincial marketing boards. It will have the power to provide by order-in-council for the regulated marketing of any product, to control both the export and the inter-provincial marketing of any regulated product, and to regulate the importation of any product likely to compete with a Canadian regulated product. It will have authority to fix the quality, grade, or quantity of any regulated product marketed by any person at any given time, and to compensate for losses incurred through its order to export or to withhold any product from the market, or through fluctuations of exchange in connection with export sales under its orders.¹

The Act gave the government radical powers, which were vigorously protested by the Liberal opposition.

Most Alberta newspapers were not quite prepared to accept this sort of step by the government to regulate marketing. While admitting the need for extraordinary methods in solving marketing problems Bennett's proposal seemed a bit drastic. A major concern was that the Act might lead to price fixing. The government was warned that it must keep a close watch to make sure that the consumers were not forced

¹The Round Table, v. 24, 1933-34, pp. 634-35.

to pay high prices in those cases where local boards increased the prices for agricultural products. Another area of possible danger was the very wide powers given the marketing boards over the individual producer.

Liberal newspapers supported Mackenzie King's opposition to the Act. The Lethbridge Herald was especially critical of the legislation. Little benefit could be seen in compulsory regulation of prices and trade. The Herald pointed out that the Liberal party was opposing the measure because it was afraid that the cause of high protection would be entrenched by the extensive powers given to the government. The legislation would mean a severe loss of liberty for the individual producer and this was to be regretted.

(The Act) ... is a very long way from the spirit of individualism which brought most of the wheat growers to the west to open up this great wheat producing area. There is no doubt that a very large number of wheat growers are willing that a dictator should take over the selling of their wheat, believing that unless the growers can act as one voice they cannot enforce their wishes in the matter of the price received for their product. They are sincerely convinced that there is no other way out. On the other hand, there are many growers who feel that the course indicated in the new marketing act is the way of Fascist dictatorship and that the doctrines of scarcity cannot lift the world out of the depression because it is foreign to the laws of Nature.¹

¹Lethbridge Herald, May 3, 1934, p. 4.

There was no doubt about which group of growers the Herald supported.

The Edmonton Journal, although frightened by some aspects of the bill, saw it as a very progressive piece of legislation. The Act would mean a sharp break with Canada's economic past where the forces of the market place had been allowed to operate freely. It was poor business to allow rivalry between producers of the same commodities to lower prices. The marketing act would remove this unnecessary rivalry and allow producers to obtain a much fairer price. The Journal thought that the legislation was completely justifiable under the conditions of the time. Opponents were being unfair in their criticisms. "To object in the name of individual liberty, to the exercise of controlled marketing operations such as is proposed is carrying political theories to an extreme length."¹ The Red Deer Advocate joined the Journal in supporting the Act. The government had finally recognized its duty to regulate marketing to insure the well being of the people. This and the Stevens inquiry were great steps "forward" in coordinating "haphazard" marketing conditions.²

¹Edmonton Journal, May 3, 1934.

²Red Deer Advocate, April 4, 1934, p. 2.

The final step in the direction of reform in 1934 was the Farmers' Creditors Arrangement Act. The Act provided for machinery which would adjust farmers' debts in relation to their ability to pay. As mentioned before, the problem of agricultural debt was causing increased concern in the Alberta press. In 1933 editorials began appearing regularly in the press urging Bennett to provide lower interest rates and improved credit arrangements. Many farmers were unable to carry on their operations because they could not fulfill their obligations to the banks. Since these obligations were contracted at a time when the farmer could reasonably be expected to pay them, the press thought that it was only logical that something be done to rectify the situation. Eastern financial circles were continually blamed for the plight of the farmer. He was pictured caught in a tight squeeze between declining prices and mounting indebtedness, all engineered by the financiers of Toronto and Montreal. Bennett was urged to stop protecting the monied interests while the farmer was slowly being driven to ruin.

The Alberta press provided little editorial comment on the Farmers' Creditors Arrangement Act. The Act was un-

doubtedly of major importance to the west and one might have expected the press to comment on it. The few editorials which did appear were very favourable to the Act. The legislation would speed up the recovery of agriculture and would provide assistance for the already overburdened farmer. The press thought that the legislation was long overdue, but was still prepared to congratulate Bennett for it. The Edmonton Journal made this statement regarding the Act.

(The) ... adjustments will prove to the advantage of both lenders and borrowers and that the country as a whole must benefit through giving those engaged in its chief industry a better chance to get their affairs back to a good basis.¹

The Lethbridge Herald expressed similar views in its editorial columns.² However, it must be pointed out that the above comments were the exception rather than the rule, for on the whole the Act elicited little editorial comment.

The lack of consistent and thorough editorial analysis of the Marketing Act and the Farmers' Creditors Arrangement Act can be explained by the fact that already in the summer of 1934 the Alberta press was becoming increasingly occupied with provincial matters. The scandal

¹Edmonton Journal, June 13, 1934, p. 4.

²Lethbridge Herald, June 6, 1934, p. 4.

concerning the provincial premier Mr. Brownlee and the troubles within the provincial U.F.A. coupled with the activities of Social Credit were the objects of most immediate interest to Alberta newspapers. This trend was to become even more pronounced in 1935. It is unfortunate that the Alberta press did not write more editorials on the marketing and credit legislation. In the previous three years editorial writers had spent a great deal of time discussing these two subjects. Marketing and monetary problems were two of the most important questions facing Albertans during the thirties, yet when Bennett undertook to provide radical leadership in these areas the press was occupied with other matters.

II

The final act of the Bennett government in 1934 which was to contribute to increased government supervision of the economic system was the Price Spreads inquiry. The Price Spreads inquiry was not only important because of the glaring abuses it was to reveal in the economic system; it was to have serious political repercussions for the Bennett government. Late in 1933 and early in 1934 the Minister of

Trade and Commerce, Mr. H. H. Stevens, was told of the distressing conditions which existed in certain Canadian industries and of the massive differences between prices paid to the producer and those charged by the distributor. Stevens continued to gather information and on January 15, 1934, in a speech to the national convention of the Canadian boot and shoe manufacturers he declared that unless business was willing to regulate itself and remove these abuses the government would be forced into action. The response to this speech was overwhelming public approval, with the exception of course of certain businessmen. As a result of this public response and pressure from Stevens, Bennett was persuaded to set up a select committee of the House of Commons to investigate price spreads and the effects of mass buying. Stevens was appointed the chairman of the committee and immediately began a vigorous campaign to collect evidence. When the parliamentary session was prorogued the committee was converted into a Royal Commission.

The Alberta press greeted the inquiry most favourably in its editorial columns. The matter of price spreads was of special importance to the west, in particular the difference between the price paid to cattle raisers and that

charged to the consumer by the packing houses. The press demanded that the inquiry be undertaken in a thorough manner and that the government follow it up with legislation or administrative action which would end the objectionable practices in business. The Edmonton Journal warned of the consequences of an insufficient inquiry.

If private business is not subjected to the house-cleaning shown necessary, the demand for the abolition or drastic changing of the existing economic system is certain to be strengthened. So those who want that system retained should be most anxious to have it freed of practices that no one can defend.¹

Even before evidence had been collected the Alberta press seemed to have made up its mind on the eventual outcome of the inquiry. The proceedings of the committee were given considerable coverage on the news pages of the six daily papers. The weekly press viewed the Stevens inquiry as one of the few events that merited editorial comment. There was a considerable amount of enthusiasm for the project because it seemed as though eastern big business would finally be exposed. A comment in the Claresholm Local Press was particularly interesting in its view of the situation.

¹Edmonton Journal, June 19, 1934, p. 4.

What Stevens proposes -- yes, even threats -- for Canadian industry, is pretty much what Pa Woodsworth has been preaching for years. The present crisis makes it better 'listening' to the masses. Go to it, H.H. and the Canadian people will bless you for it. We have said before it matters not so much who accomplishes the desired end, as long as it is accomplished.¹

The Liberal press used the Stevens episode to point out once again the evils of high tariffs. It attempted to show the link between the Bennett tariff policy and the evil conditions in the business world. The Stevens Committee was urged to pay particular attention to those industries which received benefits from the high Canadian tariffs. It was here that the inquiry would find sweat shop conditions and other deplorable labour conditions.² According to the Lethbridge Herald it was the western farmer who suffered most from price spreads. He had the problem of receiving "in the neighborhood of 75¢ of the 1914 dollar for the produce he has to sell, and that he pays \$1.25 of the 1914 dollar at the wholesale valuation of goods."³ A further subject of concern to the Liberal press was stock watering. It was

¹Claresholm Local Press, January 26, 1934, p. 1.

²Edmonton Bulletin, January 29, 1934, p. 4.

³Lethbridge Herald, January 31, 1934, p. 4.

hoped that the inquiry would also probe into this area in order to expose the intricate financial manipulations undertaken by the citizens of Bay and St. James streets. The Liberal press was sure that this sort of inquiry would prove to be very fruitful and revealing.

The Stevens episode was to take another turn which made it "one of the most baffling chapters of our political and economic history."¹ In June, Stevens made a speech to the Conservative Study Club in which he severely criticized certain industrial concerns and some important industrialists. One of those condemned by Stevens was Sir Joseph Flavelle of the Robert Simpson Company, a prominent supporter of the Conservative party. These remarks were published in the Winnipeg Free Press in August, causing considerable controversy. Nothing was done by Bennett until he returned to Canada from Europe in October. On October 25th a cabinet meeting was held and Stevens was requested to apologize to Sir Joseph Flavelle. The story of the cabinet meeting leaked to the press and Stevens resigned the following day. The news of his resignation shook the party and the Canadian public

¹Wilfrid Eggleston, "Mr. Stevens and our Economic Ills," Queen's Quarterly, v. 41, 1934, p. 531.

who had been following his investigation very closely.

Alberta newspapers viewed the Stevens resignation as a most important political event. As a result of the Price Spreads inquiry Stevens had become a very popular man. The Conservative party would undoubtedly suffer because of his loss. Liberal newspapers interpreted the resignation as a sign that Bennett wished to discontinue the inquiry because of the opposition of prominent Conservative businessmen. The Lethbridge Herald wrote that Bennett's acceptance of Stevens' resignation removed his last claim to continue in power.¹ Conservative papers, while expressing regret at the resignation, claimed that Stevens had to go because he had "deliberately set out to force the hands of the government with regard to punitive action against big business."² He had lost his usefulness to the inquiry because of his bias and prejudice. The Conservative press recognized that the acceptance of the resignation would be unpopular and might possibly cost the party votes at the next election.

¹Lethbridge Herald, October 29, 1934, p. 4.

²Calgary Herald, October 29, 1934, p. 4.

The year had witnessed many important developments in Canadian politics. Bennett had embarked on a course of bold economic experiment that was to be pursued even more vigorously in the following year. The Alberta press had turned its attention to provincial matters and therefore failed to develop fully its views on Bennett's new program.

CHAPTER V

THE BENNETT NEW DEAL

I

In the first two weeks of January, 1935 Bennett gave five radio addresses in which he outlined in greater detail a new course of action the government planned to take to handle the depression. His message was startling -- the capitalist system needed reforms and the Conservative party was prepared to bring about these reforms.

And in my mind, reform means Government intervention. It means Government control and regulation. It means the end of laissez faire. Reform heralds certain recovery. There can be no permanent recovery without reform. Reform or no reform! I raise the flag of progress to the masthead. I summon the power of the State to its support.¹

In these addresses Bennett analyzed conditions in Canada over the past five years. He pointed out what he considered to be the defects in the social and economic system and proposed measures to deal with these defects. Among the measures he proposed were: unemployment, accident and sickness insurance; laws governing maximum hours of work

¹quoted from a radio address in E. Watkins, R. B. Bennett, (Toronto: Kingswood House, 1963), p. 257.

and minimum wages; and laws providing for stricter government control of business and the economy. Bennett explained to Canadians that his government had not taken action along these lines during the previous four years because it was necessary to remedy the immediate effects of the depression. Now that the stability of the country was assured and conditions were beginning to improve the government could undertake new radical policies.

Ernest Watkins claims that Bennett had four objectives in mind while making the radio broadcasts.

First, he intended to justify the actions of his Government over the preceeding four years. Secondly, he took care to answer in advance the likely criticism that his proposals were coming rather late in the day.

.
Thirdly, he intended to challenge the Opposition to meet his proposals, to attempt the necessary if difficult task of pinning Mackenzie King down, if he could, on a battleground of his own choosing. Finally, and this was, perhaps, the most important of his objectives, he intended to confront his own party with what he regarded as a challenge of the times, to demand that they recast their thinking and the image they showed before the electorate, or be swept aside as a thing unable to adapt itself to the conditions of the day.¹

There was an immediate press reaction to the broadcasts.

Complete transcripts of the addresses were printed on the

¹Ibid., pp. 253 & 254.

front pages of every daily newspaper. The editorial writers were extremely prompt in registering their opinions. Pro-government newspapers, especially the Edmonton Journal and the Calgary Herald, greeted the New Deal broadcasts with a great deal of enthusiasm. It was quite out of keeping for two papers such as the Journal and the Herald to be promoting radical reform in Canada. The pro-government press suddenly began to talk about the intolerable evils existing in the economic system. The only remedy to correct these evils was government regulation and Bennett was applauded for having the courage to provide this radical and stimulating leadership. It was claimed that Bennett's broadcast had created a sensation and forced Canadians to realize the need for reform. The Herald and the Journal became crusading reformers through their editorial columns. The faults of the economic system had been shown in the previous four years and now Bennett would correct the abuses without destroying the system. Bennett was heralded as a "practical reformer" who had "specific remedies for specific evils."¹ He had pointed out the need for progressive legislation and

¹Calgary Herald, January 5, 1935, p. 4.

government regulation of the economic system. The reform legislation would mark out a new national course for Canada and broaden the viewpoint of political organization. One assumes that the Conservative press was specifically referring to the Conservative party broadening its viewpoint, and particularly prominent eastern Conservative businessmen. Bennett's reform broadcasts had aroused opposition in eastern Conservative circles, especially in the editorial columns of the Montreal Gazette. Conservative newspapers in Alberta showed none of the reluctance of the Gazette in rallying behind Bennett in his call for reform.

Pro-government newspapers dismissed Liberal claims that the broadcasts were a death-bed repentance made in order to attract votes for the approaching federal election of 1935. Bennett's explanation of why the government had not brought about these reforms in the previous four years of his administration was fully accepted by pro-government newspapers. They called Bennett's decision to wait until conditions were stabilized wise and logical. It was pointed out that the promised reforms were merely a continuation of the legislation passed in the 1934 session of Parliament. The proposed social legislation and government

regulation of business were the next logical steps to the Natural Products Marketing Act, the Farmers' Creditors Arrangement Act, and the creation of the Central Bank. Why should Canadians be surprised at Bennett's proposals when they had ample warning of what was to come? The pro-government press seemed to be prepared to accept Bennett's analysis of the situation completely. They entered into the battle and attempted to persuade Canadians to follow Bennett's lead.

The major criticism levied against Bennett in the Liberal press was that the new program was a death-bed repentance calculated to pick up votes in the forthcoming election. The reforms might be necessary and even desirable, but who would trust a man such as Bennett to bring these reforms about. Canadians were reminded of the unfulfilled promises of 1930. It was pointed out that Bennett had appeared as the visionary crusader in the election campaign of 1930 with a plan to restore prosperity and lead Canadians to the promised land. The Canadian people had trusted Bennett in 1930; the result had been increased unemployment, declining trade, low prices, relief lines, and untold misery and hardships. Did Bennett deserve another

chance? Bennett had deceived people in the past with promises, but he would not be allowed to repeat this performance. The Liberal press also charged Bennett with stealing the Liberal party's program. It was claimed that most of the reforms Bennett was promising had already been proposed by the Liberals. The Lethbridge Herald pointed out that the promised legislation was all contained in King's Industry and Humanity.¹

The anti-government press also raised the question of the competence of the federal government to legislate on the matters that Bennett was proposing. This was an argument of considerable importance and one that was to be taken up in much greater detail when the reform legislation was presented to parliament. The anti-government press agreed that amendments to the B.N.A. Act were necessary in order to make it possible for the federal government to legislate on matters such as unemployment insurance. It was argued that Bennett should have brought about the necessary amendments first and then introduced the reform legislation. It appeared now that Bennett would blame his

¹Lethbridge Herald, January 14, 1935, p. 4.

inability to pass this legislation on the courts rather than his own reluctance.¹

The anti-government press also wondered aloud why this reform legislation had not been introduced in the past four years of the Bennett administration. The fact that an election was imminent made editorial writers very suspicious of Bennett's motives. Once again the question of the tariff crept into the anti-government's press analysis of Bennett's policies. It was claimed that if Bennett was sincerely convinced that the old order must disappear he would abandon his high tariff policies. Protected industries were certainly the most prominent members of the old order. In his four years as Prime Minister Bennett had done all that he could to establish this group. If he wished to reform the system he must begin by lowering tariffs. Bennett was accused of trying to turn the attention of the voter to what he proposed to do rather than what he had done.² The Liberal press was convinced that when it came time to vote people would remember the record of the Bennett government

¹Lethbridge Herald, January 17, 1935, p. 4.

²Lethbridge Herald, January 17, 1935, p. 4.

and this rather clumsy political maneuver would fail to have the desired effect.

Both sectors of the Alberta press were trying to promote the political party they supported as the real reform party in Canada. Suddenly in 1935 we have the Alberta press supporting radical reform legislation. There were many reasons for this turn of events. The Stevens' inquiry had succeeded in focusing a great deal of attention on the abuses in the business world. Bennett's term of office would officially expire on August 18th and the press knew that an election would be held in 1935. Liberal newspapers must have known that King had a very good chance of being returned to office. Certainly the Conservative press must have felt the need to convince the electorate that Bennett had finally arrived at a solution for all the misery caused by the depression. With an election approaching newspapers became much more zealous in supporting the political party of their choice. There was no doubt that Bennett's radio broadcasts would become the basis of the Conservative campaign in the next election.

II

The sixth and last session of the seventeenth parliament opened on January 17, 1935. Bennett proceeded quickly to introduce the legislation which would implement the reforms he had promised in his radio broadcasts. The important pieces of legislation in the New Deal were: an unemployment insurance act, an act to regulate wages and hours of work, amendments to the Farmers' Creditors Arrangement Act and the Natural Products Marketing Act, acts to provide for the regulation of competition in certain industries. The session was a long one lasting until July 17. Bennett suffered a serious illness early in February and was kept out of Parliament until May 20th.

During the first part of the parliamentary session there was a great deal of comment in the press about the reform legislation. Unemployment insurance and the proposed Grain Board were the favourite subjects of editorial writers. In May the major topic of discussion in the editorial columns was the Social Credit movement that was sweeping the province of Alberta. A fierce debate waged in the editorial columns and the letter pages between the supporters and

detractors of Social Credit. The Alberta press was, however, not devoting all its editorial space to provincial matters. In 1935 there was a definite increase in the number of editorials on international affairs. The spectre of Nazi Germany was beginning to haunt the western world. The editorial writers of the Alberta press used considerable editorial space in an attempt to analyze the diplomatic maneuvering of Britain, France, and Germany in a time of increasing tension. Editorial interest in the policies of Bennett took third place, following provincial and international affairs.

Bennett presented the first pieces of his reform legislation shortly after the throne speech debate ended. There were points of debate concerning the legislation. One of the most important obstacles was the competence of the federal government to legislate on the subjects that Bennett was proposing. Bennett had claimed that the legislation would enact the proposals passed by the International Labour Organization at Geneva. It was agreed that the amendments to the B.N.A. Act were needed in order to make it possible for the federal government to legislate on matters, such as unemployment insurance, which came under

provincial jurisdiction. The previous four years of depression had taught Canadians that there were certain things that could best be handled by the federal government. The lack of uniformity in such fields as hours of work and wage laws under the control of the provincial government had proven to be very disruptive when the federal government attempted to regulate working conditions. The Alberta press recognized that the provinces were very jealous of their privileges and that they would be unlikely to give up certain things which they considered to be their constitutional rights. Nevertheless, there was a basic disagreement on the approach that the government should take in introducing the new reform legislation. The pro-government press agreed with Bennett that the legislation should be introduced first and then the problem of its legality could be taken up. These newspapers were quite sure that the courts would agree that the legislation Bennett was proposing was within the competence of the federal government. They pointed to the decisions of the Privy Council on radio and aviation as proof of this contention.¹ The anti-government press disagreed

¹Edmonton Journal, March 14, 1935, p. 4.

with this argument. It supported Mackenzie King in his belief that the federal government should first seek the opinion of the courts before introducing the legislation. This of course would mean endless delay before the legislation could be enacted and with the end of the government's term of office approaching Bennett understandably did not want to wait to seek the opinion of the courts. The Liberal press argued that all the activity in Parliament was quite meaningless since the measures would probably be thrown out by the courts when they were contested. The Lethbridge Herald claimed that Bennett had waited until there was almost a complete string of Liberal provincial governments across the country before bringing in his reform legislation. Since the legislation could not become effective until the provinces abandoned some of their powers Bennett would be able to claim that the Liberals had prevented reform in Canada. The Herald thought that Bennett was looking for a political issue and that he would be able to find one here. It would not be the Liberals who were at fault, but Bennett because he had neglected to go through the proper procedure in order to assure passage of the legislation.¹

¹Lethbridge Herald, January 18, 1935, p. 4.

The Unemployment and Social Insurance Act was the first piece of 'reform' legislation put before parliament. The bill provided for a contributory scheme with the federal government, the employer, and the employee each making contributions. Coverage was only provided for certain classes of workers, the most notable absence being farmers, fishermen, and lumbermen. There was to be a certain waiting period before the benefits would be available. The press commented extensively on this measure. All newspapers agreed that such a measure was necessary, but it was pointed out that this measure was not designed to end unemployment, merely to provide against future unemployment. When the matter of unemployment insurance had first been debated in 1930 Alberta newspapers had warned the government that care must be taken in setting up the system in order to avoid the problems created in the workings of the British unemployment insurance scheme. By 1935 the attitude of the press had changed considerably. Bennett was urged to follow the British model and newspaper readers were repeatedly informed of the wonders of this system.

The Edmonton Journal and the Calgary Herald provide ample evidence as to how much the press was prepared to

accept in 1935. Unemployment insurance had suddenly become an absolute necessity and a means of changing the whole life of the dominion. Bennett was praised for following the British model as closely as possible. The Journal particularly urged Bennett to ignore any constitutional objections that might be placed in the path of the bill.¹ Pro-government newspapers did urge the government to use some caution in setting up the unemployment insurance scheme. The measure was looked on as something which would not cure the present problem, but certainly assist in preventing any further burdens from being placed on the municipal governments. It was agreed that the measure could not be comprehensive and that certain classes of workers would have to be excluded from the benefits at the beginning. The pro-government press thought that with the return of normal employment conditions the scheme could be broadened to include those excluded at the beginning. The Act was viewed as the first and very important piece of legislation in the government's reform program.

The anti-government press emphasized that the measure

¹Edmonton Journal, January 30, 1935, p. 4.

would not attack the most pressing problem, that of putting people back to work. Once again Bennett was reminded that the earning power of the primary producer must be returned before the factory workers would have jobs. If the Bennett government really wanted to do something for the unemployed they would put an end to their ridiculous trade policy. High tariffs had caused the unemployment problem, by cutting off the export markets of the primary producer and reducing their spending power. Unemployment insurance was only a palliative measure designed to provide security for the few people who had jobs.¹ Anti-government newspapers criticized the new measure for leaving out large sections of the population. The Edmonton Bulletin called the Act "minority legislation pure and simple."² It was argued that those classes not included in the bill had just as much right to protection as those included. Any insurance scheme which left out farmers, fishermen, and lumbermen was clearly inadequate.

The next proposal to cause comment in the editorial columns of the Alberta press was the proposed grain board. The Bennett government planned to set up a compulsory board

¹Lethbridge Herald, January 30, 1935, p. 4.

²Edmonton Bulletin, February 2, 1935, p. 4.

for the marketing of all grain. In the process of the debates of the House the original act was amended to provide for the marketing of wheat only. This was definitely not a new proposal. Canada had had a compulsory wheat marketing board during the war and for a short time in the early twenties. Since 1930 the federal government had taken over the marketing of wheat to a great extent through the grain marketing agency under MacFarland. The wheat pools and farm organizations in the west had long been urging the government to set up a compulsory marketing agency. When the proposal had first been made in the early thirties the Alberta press firmly opposed its introduction. In 1935 opposition was not quite as strong, but there was a very distinct reluctance, even among pro-government newspapers to accept the measure.

The most serious objection to the grain board seemed to be the fact that it would be compulsory. It was wondered whether government interference in the marketing of grain would not be more harmful than helpful.¹ The press agreed that government assistance under MacFarland had been a great

¹Medicine Hat News, June 20, 1935, p. 2.

benefit for the farmers. It could not understand why the government was not continuing with the system set up under MacFarland.

Anti-government newspapers were always anxious to point out that the tariff was the real cause of all the problems facing Canada. The grain board might provide some temporary assistance to the farmers, but the root of the marketing problem was the government's trade policy. The Lethbridge Herald claimed that the success or failure of any marketing agency would depend on Canada's trade policy. Wider markets for primary products would not be found until Canada ended her policy of restriction.¹

The problem of the legality of the grain board was discussed in the editorial columns. The Edmonton Journal, which had urged the government to forget constitutional difficulties concerning the unemployment insurance act, reminded the government that thirteen years ago the law officers of the crown had advised that a compulsory marketing agency was unconstitutional.² The Lethbridge Herald joined

¹Lethbridge Herald, March 4, 1935, p. 4.

²Edmonton Journal, March 5, 1935, p. 4.

the Journal in advancing this argument. "What is the difference in Federal-Provincial relations today which would lead Premier Bennett to believe that a Government monopoly in wheat sales can be imposed today when it could not be imposed without provincial legislation in 1922?"¹ These two unusual allies did not feel that the federal government had the right to enforce compulsory pooling on the growers.

The Calgary Herald was the only major Alberta newspaper which gave any measure of support to the Grain Board. The Herald claimed that there had been a drastic change in the world wheat situation and that radical adjustments would have to be made in marketing methods. Under normal conditions the old system of marketing Canadian wheat had worked well, but this was not the case in 1935. A compulsory marketing agency under the control of the federal government was necessary to support Canada's basic industry. The Grain Board would undoubtedly be a "radical departure from the accepted practices of grain handling and selling in Canada," but with the return of normal conditions the old marketing methods could be used once again.² In supporting

¹Lethbridge Herald, June 24, 1935, p. 4.

²Calgary Herald, June 12, 1935, p. 4.

the Grain Board the Herald claimed that the wheat marketing situation would be improved if the wheat importing countries of Europe would lower their tariffs and cut down internal restrictions.¹ Once again a pro-government newspaper was demonstrating the distinct reluctance of western Canada to accept high tariffs. Support for the Grain Board also came from the Claresholm Local Press. The Claresholm newspaper claimed that the Grain Board embodied more or less what it desired in the way of monetary adjustments. The Board would provide a stable relation between the value of the dollar and the price of primary products. Other weekly newspapers did not feel the need to support the formation of a Grain Board in their editorial columns. This was a measure which was undoubtedly of the utmost concern to rural Alberta, but the weekly press gives no indication that the matter was even being discussed.

Another subject of editorial interest in 1935 was the report of the Price Spreads Commission. It was expected that the report would provide recommendations for important legislation. Bennett had promised that his government would

¹Ibid., March 1, 1935, p. 4.

act quickly to rectify any abuses revealed by the commission. The main recommendation of the report was that the government set up a Federal Trade and Industry Commission. The new Commission was to have sweeping powers.

- (a) Rigorous administration of the Combines Act;
- (b) Sanction and regulation of monopoly where it is agreed by the government that competition cannot or should not be restored;
- (c) Sanction and supervision of agreements within a trade or industry where it is agreed by the government that competition has become wasteful and demoralizing.¹

The Alberta press agreed that the commission had revealed the need for greater government regulation of industry. The Lethbridge Herald claimed that if industry wished to win its former place in the public regard Canada would need something modeled after the fashion of the N.R.A. in the United States. Although self control would be desired over strict government supervision, in many cases only the "hand" of the government would be sufficient to meet the situation.² The press also urged Bennett to proceed cautiously in setting up the recommendations. Great care would have to be taken so that government control did not

¹quoted from the official report of the commission in Queen's Quarterly, R. McQueen, "The Price Spreads Report," v. 42, 1935, p. 261.

²Lethbridge Herald, April 15, 1935, p. 4.

stifle industrial initiative. The Calgary Herald pointed out that in response to outraged public opinion the government may go too far in business regulation.¹ The Medicine Hat News wrote that the commission's recommendations on monopolies would be difficult to interpret and even more difficult to enforce.

For any bureaucratic body to attempt to determine what is a good monopoly and what is a bad monopoly; to have in fact the power of creating and protecting monopolies, is expecting a bit too much of government.²

Another problem the press expressed concern about was the competence of the federal government to legislate on recommendations of the commission. The Calgary Herald claimed that the authority that the commission wanted to give the Trade and Industry commission would be beyond the competence of Parliament to grant.³ Here was another instance where the federal and provincial governments would have to get together and work out some agreement on amending the B.N.A. Act. Although urging the federal government to exercise

¹Calgary Herald, April 13, 1935, p. 4.

²Medicine Hat News, June 14, 1935, p. 4.

³Calgary Herald, May 31, 1935, p. 4.

caution in bringing in legislation based on the commission's report, the Alberta press realized that public opinion would demand that the federal government act quickly to remove the abuses revealed by the report. The publicity surrounding the commission's proceedings had made people aware that there were serious abuses in business practices. With an election in the near future the government could not afford to ignore the report. On the whole the Alberta press appeared to be in favour of increased government regulation of business. This attitude toward business contrasted sharply with the attitude of the press on government regulation of the marketing of primary products.

Other measures in the Bennett New Deal received little editorial comment in the press. This was perhaps due to the fact that they were introduced late in the session when the press was occupied with the debate on Social Credit. By May, 1935 the Alberta press was almost completely absorbed with provincial matters. The Alberta provincial election had been set for August, but the campaign was already in full swing in June. The proposed Economic Council did receive comment from three of the daily newspapers. Bennett planned to set up a body of experts as an auxiliary to the

civil service to render advice to the government on economic matters. The Edmonton Journal and the Calgary Herald saw the economic council as an important instrument in establishing Bennett's reform program. It would remove some of the burdens placed on the cabinet with increased government regulation of business.¹ According to the Journal the council could "help greatly in keeping public policy along sound lines and in avoiding a repetition of the serious mistakes from which the country has been suffering."² The Lethbridge Herald claimed that Bennett had never listened to his advisers in the past and would probably not listen to a "brain trust" in the form of an economic council.³ With the exception of one editorial in the Edmonton Bulletin on the minimum hours and wages act the press refrained from commenting on any other measures in the New Deal.

¹Calgary Herald, March 19, 1935, p. 4.

²Edmonton Journal, March 20, 1935, p. 4.

³Lethbridge Herald, January 25, 1935, p. 4.

III

Bennett's term of office came to an end with his election defeat on October 14, 1935. It was a humiliating defeat. The Liberal party won 171 seats, the largest parliamentary majority recorded to that time. Conservative representation was reduced to 39 seats, a reduction of 98 seats from 1930. Bennett managed to retain only 3 seats in the prairie provinces. In Alberta the only seat won by the Conservatives was Bennett's in Calgary west. Alberta returned 15 Social Credit members and one Liberal in addition to Bennett. For the time being the province had turned completely to the new Social Credit party with its unorthodox economic policies.

Since this inquiry is primarily concerned with the attitude of the press to the policies of the Bennett government only a brief summary will be given of editorial comment on the campaign. Liberal newspapers concentrated on Bennett's unfulfilled promises of 1930. Bennett's high protectionist policy had not stimulated trade and created employment. The effects were around for all to see clearly. High tariffs had brought about decreased trade, massive un-

employment, and untold hardships to many Canadians. It was either "King or Chaos."¹ The Conservative press tried to point out the positive achievements of the Bennett administration. The Ottawa agreements had increased Canadian trade with the countries of the Empire. Bennett's reform legislation of the past two sessions of Parliament would mean increased security for Canadians in the economic and social spheres. King had proposed no solution for the problems confronting Canadians; Bennett had begun a program of advanced social and economic legislation that would result in future benefits for Canadians. The voters of Alberta chose to ignore the arguments of both the Liberal and Conservative press and cast their ballots for Social Credit.

¹This was the election slogan that the Liberals used throughout the campaign.

CONCLUSION

The Alberta press tended to be quite dissatisfied with most of the policies of the Bennett government. In most instances the criticism offered by the press was entirely negative in character. There was no real attempt by editorial writers to undertake a thorough analysis of the problems confronting Canada and in particular Alberta. It would seem that the press envisaged its role to be one of offering only criticism. Almost no advice was given to Bennett on the means of adapting government policy so that it would accommodate the needs of the people of Alberta. Editorial writers were rarely very specific about the type of legislation they wished the Bennett government to enact. For example, in the field of unemployment relief, the Alberta press persisted for four years in demanding that Bennett evolve a comprehensive plan to deal with the situation. Beyond asking for relief work and increased financial assistance for cities, the press maintained a strict silence on the specifics of the plan. On the whole editorials proved to be superficial, repetitious, and very poorly written. The choice of issues for editorials was very

haphazard. Only the unemployment relief problem received consistent attention in the period covered. There were even certain aspects of this problem, such as the relief camps, which received very little editorial attention. It was very surprising that the Alberta press did not devote more editorial attention to the marketing policies of the federal government. There seems to be almost complete apathy about the activities of the marketing agency headed by MacFarland until the Grain Board legislation in 1935. The Liberal press was always ready to blame high tariffs for any marketing difficulty Canada might encounter, while the Conservative press never really discussed the problem.

Throughout this inquiry the press has been divided into two categories, the pro-government or Conservative press and the anti-government or Liberal press. While each group of newspapers was loyal to the political party of its choice, especially around election time, there were occasions when newspapers strayed from the party line. The Calgary Albertan was certainly the most independent newspaper in the Liberal group. It was the only Liberal paper which was willing to give certain policies of the Bennett government

some measure of support. During the campaign of 1930 the Albertan gave strong and consistent support to the Liberal party, but as soon as the Conservatives had been established in power the Albertan appeared to think that the new party must be given a fair trial. The attitude adopted by the Albertan was that Canada was undergoing a period of acute distress and any reasonable attempt to alleviate this distress must be supported by all Canadians regardless of previous political convictions. On the other hand the Edmonton Bulletin was the most vehement in the group in its opposition to the Bennett government. The Bulletin failed to see any value in the policies advocated by Bennett and for five years poured forth all their editorial venom against Bennett and his activities as head of the government. Moderation was not considered a virtue by the Bulletin. During the first year of Bennett's term of office the Conservative press faithfully approved his policies. During the latter half of 1931 there appeared a slight note of uneasiness about certain policies of Bennett in the editorials of Conservative newspapers. There was dissatisfaction concerning the method of distributing unemployment relief and the effects of high tariff legislation on

western Canada. At this time the Conservative press began to suggest that Bennett must pay particular attention to the interests of western Canada. The Edmonton Journal began to ask for compensating legislation so that certain harmful effects resulting from legislation designed specifically to assist eastern Canada might be remedied in the West. It was not until the New Deal legislation was introduced that the Conservative press returned to its whole-hearted approval of Bennett.

There was almost nothing of interest to this inquiry in the weekly press. The major concern of these newspapers was local affairs and to a very small extent provincial affairs. The few editorials concerning the activities of the federal government were almost of no value whatsoever when attempting to ascertain how Albertans felt about the Bennett government.

The issues which most interested the Alberta press were unemployment relief and tariffs. The press agreed that Alberta was not receiving adequate assistance from the federal government for unemployment relief. The Liberal press was able to criticize nearly every policy of the Bennett government on the basis that it would benefit the

high tariff interests. Throughout the period 1930 to 1935 Liberal newspapers strictly maintained that high tariffs were the cause of the distress in Alberta and the rest of Canada. The Conservative press tried to draw attention to other aspects of Bennett's administration, but as mentioned previously even these newspapers were forced to consider the tariff issue.

It is difficult to say how closely the press reflected the views of the people of Alberta. It is evident however that around election time the press had little influence on the people of Alberta. In 1930 Albertans elected a majority of members from the U.F.A. and in 1935 the Social Credit party won most Alberta seats. The U.F.A. and Social Credit did not receive support from any of the major newspapers in Alberta.

BIBLIOGRAPHY

Books

- Lord Beaverbrook. Friends. London: 1959.
- Graham. Arthur Meighen. Vol. III. Toronto: Clarke, Irwin and Company Limited, 1965.
- Hardy, H. R. Mackenzie King of Canada. Toronto: Oxford University Press, 1949.
- Hogan, G. The Conservative in Canada. Toronto: McClelland and Stewart Limited, 1963.
- Irving, John A. The Social Credit Movement in Alberta. Toronto: University of Toronto Press, 1959.
- Mann, W. E. Sect, Cult, and Church in Alberta. Toronto: University of Toronto Press, 1955.
- MacQuarrie, H. The Conservative Party. Toronto: McClelland and Stewart Limited, 1965.
- McNaught, K. A Prophet in Politics. Toronto: University of Toronto Press, 1963.
- McPherson, C. B. Democracy in Alberta: Social Credit and the Party System. 2 ed. Toronto: University of Toronto Press, 1962.
- Neatby, H. Blair. William Lyon Mackenzie King, The Lonely Heights. Vol. II. Toronto: University of Toronto Press, 1963.
- Watkins, E. R. B. Bennett. Toronto: Kingswood House, 1963.

Articles and Periodicals

The Canadian Annual Review of Public Affairs, 1930-1935.

Corbett, P. E., "The Prime Minister of Capitalism,"
Queen's Quarterly, 42 (1935), 121-130.

Dexter, Grant, "The Political Situation in Canada,"
Queen's Quarterly, 37 (1930), 762-770.

Eggleston, Wilfrid, "Mr. Stevens and Our Economic Ills,"
Queen's Quarterly, 41 (1934), 531-541.

Harrison, W. E. C., "The Ottawa Conference," Queen's Quarterly, 39 (1932), 714-721.

McArthur, D., "Canada and the Ottawa Conference," Queen's Quarterly, 39 (1932), 160-171.

_____, "London, Washington, and Ottawa," Queen's Quarterly, 40 (1933), 289-296.

_____, "Business and Government," Queen's Quarterly, 41 (1934), 256-264.

McQueen, R., "The Price Spreads Report," Queen's Quarterly, 42 (1935), 253-263.

O'Leary, Grattan M., "The Political Scene," Queen's Quarterly, 37 (1930), 205-213.

The Round Table, 20-26 (1929-30, 1935-36).

Stevenson, J. A., "The Canadian Election," Queen's Quarterly, 37 (1930), 573-586.

_____, "The Canadian Political Scene," Queen's Quarterly, 38 (1931), 173-182.

Wilbur, J. R. H., "H. H. Stevens and R. B. Bennett,"
Canadian Historical Review, 43 (1962), 1-16.

_____, "H. H. Stevens and the Reconstruction Party,"
Canadian Historical Review, 45 (1964), 1-28.

Newspapers

The Alberta Labour News, January, 1930 - October, 1935.

The Blairmore Enterprise, June, 1930 - October, 1935.

The Brooks Bulletin, June, 1930 - October, 1935.

The Calgary Albertan, June, 1930 - October, 1935.

The Calgary Herald, January, 1930 - October, 1935.

The Cardston News, June, 1930 - October, 1935.

The Claresholm Local Press, June, 1930 - October, 1935.

The Coleman Journal, June, 1930 - October, 1935.

The Drumheller Mail, June, 1930 - October, 1935.

The Drumheller Review, June, 1930 - October, 1935.

The Edmonton Bulletin, June, 1930 - October, 1935.

The Edmonton Journal, June, 1930 - October, 1935.

The Grande Prairie Herald, June, 1930 - October, 1935.

The High River Times, June, 1930 - October, 1935.

The Lethbridge Herald, June, 1930 - October, 1935.

The Medicine Hat News, June, 1930 - December, 1932,
July, 1933 - October, 1935.

The Red Deer Advocate, June, 1930 - October, 1935.

The Stettler Independent, June, 1930 - October, 1935.

The St. Paul Journal, June, 1930 - October, 1935.

The Wetaskiwin Times, June, 1930 - October, 1935.

The Vegreville Observer, June, 1930 - October, 1935.

University of Alberta Library



0 1620 1592 6387

B29885